Capital Accumulation and Young Workers: a Local Labour Market Study of Greater Manchester

Edward Yates

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Abstract

Capital accumulation and young workers: a local labour market study of Greater Manchester

This thesis examines structural factors affecting the work and employment conditions of young workers aged 16-24 through a local labour market study of Greater Manchester. It aims to understand worsening labour market circumstances of young workers, chiefly: limited employment opportunities, low-wages, job deskilling, workplace intensification, and punitive regulation of labour markets. The thesis draws on research from global political economy and industrial relations to connect the labour market outcomes of young workers with global processes of capital accumulation. A Marxist theoretical approach and accompanying methodology are used to articulate how abstract concepts including capital, labour, class and the state can be empirically grounded and analysed. This approach allows for a detailed understanding of how capitalist accumulation shapes working conditions.

The thesis is guided by three research questions which examine: the position of young workers in relation to global labour markets, the relationship between the local state and young workers, and the relationship between local employers and young workers. Data were collected from several sources: semi-structured interviews with 33 labour market actors, policy documents, economic reports from local state institutions and local employers, and other secondary data sources such as survey data and government reports.

The thesis makes several contributions to the knowledge base. It challenges essentialist and inter-generational explanations of young workers which explain poor working conditions flowing from youthfulness itself. Instead, the thesis historically situates young workers in industrial shifts which have taken place since the 1970s, notably the decline of manufacturing and the growth of the service sector. The employment conditions across the latter sector are found to be reliant on the generation of surplus value in absolute rather than relative terms, to the detriment of young workers. The research finds that these shifts have been exacerbated by neoliberal governance strategies which increase the structural power of capital relative to labour. The research finds there are limits to improving the conditions of young workers through social democratic strategies due to the fundamentally contradictory nature of capitalist accumulation and the inability to organise in and against the market.
## Contents

Capital Accumulation and Young Workers: a Local Labour Market Study of Greater Manchester........................................................................................ 1

Abstract................................................................................................................ 2

Tables ................................................................................................................... 9

Figures................................................................................................................ 10

Abbreviations .................................................................................................... 11

Acknowledgements............................................................................................ 15

Introduction ....................................................................................................... 16

1. What is the topic of this research? ................................................................. 16

2. Research questions .......................................................................................... 18

3. Why are young workers the focus of this research? ....................................... 20

4. How is this research being conducted? .......................................................... 23

5. What is the structure of this research? ............................................................. 25

Chapter 1 – Theoretical framework................................................................. 28

Introduction ........................................................................................................... 28

1. The capital-labour relation ............................................................................. 29

1.1. Capital .......................................................................................................... 29

1.2. Labour ......................................................................................................... 31

1.3. Value and the value theory of labour .......................................................... 33

1.4. The generation of surplus value in the production process ....................... 37

1.5. Absolute and relative surplus value ......................................................... 39

1.6. Class struggles over the value of labour-power in labour markets .......... 41

2. Contradictions of capitalism ....................................................................... 42

2.1. The contradiction between use value and exchange value ...................... 43

2.2. Contradictions relating to the profitability of capital and the productivity of labour ............................................................................................................... 44

2.3. The contradiction between abstract and concrete labour: divisions of labour in labour markets ................................................................. 47

3. Labour markets ............................................................................................ 48

3.1. The limits of orthodox and heterodox approaches to labour markets ....... 49

3.2. A Marxist approach to labour markets and local labour market studies ... 51

4. The State ....................................................................................................... 53

4.1. Contradictions of the capitalist state........................................................... 55
4.2. The contradiction between the global nature of capitalist accumulation and national governments .......................................................... 56
4.3. The role of money and the state .................................................................................................................................................. 57
4.4. The contradiction between production and realisation of capital ................................................................................................. 58
4.5. The contradiction of space and scale ......................................................................................................................................... 59
4.6. The local state and local capitalisms ........................................................................................................................................... 61
4.7. Historical political economy of the local state in the UK ............................................................................................................... 62
4.8. The contradictions of the local state ........................................................................................................................................... 63
Summary ............................................................................................................................................................................................ 64

Chapter 2: Local labour markets and young workers ............... 65
1. Greater Manchester’s local labour market: studies, policies, and labour market change ................................................................. 65
   1.1. Local state actors and local institutions ....................................................................................................................................... 65
   1.2. Shifts in labour market composition ........................................................................................................................................ 67
   1.3. Local economic strategies ......................................................................................................................................................... 68
   1.4. Policy interventions towards young workers .................................................................................................................................. 70
   1.5. Labour market change for young workers .................................................................................................................................. 71
   1.6. ‘Old’ and ‘new’ labour markets .............................................................................................................................................. 71
   1.7. Power, technological change and labour markets ....................................................................................................................... 74
2. Young workers: prevailing explanations of young people ........ 75
   2.1. “Essential youthfulness” accounts of young workers ....................................................................................................................... 75
   2.2. Generational approaches ............................................................................................................................................................... 76
   2.3. Youth transitions ............................................................................................................................................................................ 78
3. Work, employment, and the labour process for young workers .... 83
   3.1. Business strategies of employers ................................................................................................................................................... 84
   3.2. Recruitment, skills, training and career progression for young workers ............................................................................................. 88
   3.2. The labour process, working conditions, and wages .................................................................................................................. 91
Summary ............................................................................................................................................................................................ 94

Chapter 3 - Methodology and research design .......................... 96
Introduction .......................................................................................................................................................................................... 96
1. Methodology ....................................................................................................................................................................................... 96
   1.1. Marxism: a historical materialist approach .................................................................................................................................... 96
   1.2. The Marxist method of articulation ............................................................................................................................................. 98
   1.3. Methodological openness ............................................................................................................................................................. 101
   1.4. The local labour market as site of study ....................................................................................................................................... 103
   1.5. Defining the term ‘local labour market’ ........................................................................................................................................... 103
   1.6. Why Greater Manchester as a case study? ...................................................................................................................................... 104
   1.7. Locating Greater Manchester ...................................................................................................................................................... 107
   1.8. Why the analytical focus on local state managers and local employers? .......................................................................................... 108
   1.9. What this research is not examining .......................................................................................................................................... 111

4
2. Research Design

2.1. Data collection
2.2. Primary data: interview data
2.3. Secondary data: survey data and other statistical data
2.4. Secondary data: documents, reports, briefings, minutes
2.5. Data analysis
2.6. Ethical considerations

Summary

Chapter 4 – The relationship between young workers and structural changes in Greater Manchester’s labour market

Introduction

1. A Marxist political economy of youth

1.1. How should youth be theorised and defined?
1.2. The analytical priority of class over youth
1.3. Differences amongst young workers

2. Exploring the impact of the 1970s crisis of capitalism on labour markets for young workers in Greater Manchester

2.1. Deindustrialisation in Greater Manchester
2.2. The mediation of capitalist social relations through political and economic actors in Greater Manchester
2.3. Changes in the productive capacities of labour in Greater Manchester

3. The contemporary labour market for young workers in Greater Manchester

3.1. The sectoral composition of Greater Manchester
3.2. Occupational distribution in Greater Manchester
3.3. Job Security
3.4. Wages
3.5. Education, skills, and training for young people in Greater Manchester
3.6. Trade Unions in Greater Manchester

4. Discussion and conclusion

Chapter 5 – The impact of the local state on working conditions for young workers in Greater Manchester

Introduction

1. Neoliberal governance in Greater Manchester

1.1. The historical development of a neoliberal governance regime
1.2. Post-2010 developments in local governance
1.3. Manchester Growth Company

2. Strategies of economic growth and labour market reform
2.1 Economic growth....................................................................................................... 175
2.2 Labour market reform ............................................................................................. 180
2.3 Outcomes of economic strategies ............................................................................. 183
2.4 Perceptions of economic strategies amongst local elites ........................................ 185
3. Labour market outcomes for young workers ....................................................... 188
   3.1. The indirect impact on young workers of local economic strategies ............... 188
   3.2 The direct impact of labour market reform on young workers......................... 192
       3.2.1 Skills policies for young workers ................................................................. 192
       3.2.2 Apprenticeships ............................................................................................ 198
       3.2.3 Worklessness and labour market policy interventions .............................. 201
4. Discussion and conclusions.................................................................................... 202

Chapter 6 – The relationship between young workers and local employers in Greater Manchester......................................................... 206

Introduction.............................................................................................................. 206

1. The Manufacturing Sector in Greater Manchester................................................. 208
   1.1. Manufacturing Case Study 1 – Globits Manufacturing: overview and business
        strategy.................................................................................................................. 208
   1.2. Recruitment, skills, training and career progression for young workers at
        Globits .................................................................................................................... 211
   1.3. Working conditions for young workers at Globits............................................. 212
   1.4. Manufacturing Case Study 2 – Woodfields Manufacturing: overview and
        business strategy .................................................................................................. 215
   1.5. Recruitment, skills, training and career progression for young workers at
        Woodfields ............................................................................................................ 216
   1.6. Working Conditions for young workers at Woodfields................................. 219
2. The Business Service Sector in Greater Manchester.............................................. 221
   2.1. Red Door Business Services: overview and business strategy ......................... 221
   2.2. Recruitment, skills, training and career progression for young workers at Red
        Door ....................................................................................................................... 222
   2.3. Working condition for young workers at Red Door .......................................... 225
   2.4. Tolimont Business Services: overview and business strategy ......................... 228
   2.5. Recruitment, skills, training and career progression for young workers at
        Tolimont ................................................................................................................ 229
   2.6. Working conditions at Tolimont ....................................................................... 231
3. The Creative and Digital Sector ............................................................................ 233
   3.1. Socrates Technology: overview and business strategy of Socrates.................. 233
   3.2. Recruitment, skills, training and career progression for young workers at
        Socrates Technology .............................................................................................. 234
   3.3. Working conditions at Socrates Technology ...................................................... 237
   3.4. The Castle Theatre: overview and business strategy ......................................... 239
   3.5. Recruitment, skills, training and career progression for Young workers at the
        Castle Theatre ..................................................................................................... 240
Tables

Table 1: Long-term employment shifts in Greater Manchester (GM), by sector (% of total employment*) ................................................................. 140
Table 2: Employment shifts in Greater Manchester 1995-2015, by major industrial area .................................................................................. 141
Table 3: Characteristics of young people in Greater Manchester and the UK. 149
Table 4: Employment of 16-24 year old and all-age workers in Greater Manchester, by sector ................................................................. 151
Table 5: Occupations of 16-24 year olds in Greater Manchester, 2001-2011. 156
Table 6: Total jobs created in by inward FDI in Greater Manchester from 2010-2016, by sector ................................................................. 184
Table 7: Highest level of qualification achieved ............................................. 193
Table 8: Overview of 6 case studies ................................................................. 210
Table 9: Features of 6 case studies ............................................................... 244
Figures

**Figure 1:** The circuit of capitalist accumulation for an individual capital .......38

**Figure 2:** Map of Greater Manchester’s 10 Metropolitan Areas ..................108

**Figure 3:** Change in employment by industry and gender the UK, 1971-1993
.............................................................................................................................................136

**Figure 4:** Total employment in Manchester, Greater Manchester and England
by sex and type, 1971-1997 ........................................................................................................136

**Figure 5:** Male and female employment rates: UK, 1971-2017 People aged 16-
64..............................................................................................................................................137

**Figure 6:** Structure of Manchester Growth Company ..............................................171
**Abbreviations**

AGMA – Association of Greater Manchester Authorities

ALMP – Active Labour Market Policy

ASHE – Annual Survey of Household Earnings

ASL – Abstract Social Labour

ASV – Absolute Surplus Value

B2B – Business-to-Business

BRES – Business Register and Employment Survey

BME – Black and Minority Ethnic

BVD – Bureau Van Dijk

CC – Constant Capital

CEO – Chief Executive Officer

CIPD – Chartered Institute of Personnel and Development

EOS - Employer Ownership of Skills

EU – European Union

EV – Exchange Value

FDI – Foreign Direct Investment

GLC – Greater London Council

GM – Greater Manchester
GMATUC - Greater Manchester Association of Trades Union Council
GMCA – Greater Manchester Combined Authority
GMCC – Greater Manchester County Council
GMLEP – Greater Manchester Local Enterprise Partnership
GMLLM – Greater Manchester Local labour Market
GMYCE - Greater Manchester Youth Contract Extension
GVA – Gross Value Added
HCT – Human Capital Theory
HR – Human Resource(s)
HRM – Human Resource Management
ICL – Individual Concrete Labour
IDG - Improvement Development Growth
ILO – International Labour Organisation
JSA – Job Seeker’s Allowance
LLM – Local Labour Market
LP – Labour-Power
MGC – Manchester Growth Company
MIER – Manchester Independent Economic Review
MP – Means of Production
NEET – Not in Employment, Education or Training
UK – The United Kingdom of Great Britain and Northern Ireland

UN – United Nations

UKCES - UK Commission for Employment and Skills

USDAW – Union of Shop, Distributive and Allied Workers

UV – Use Value

VC – Variable Capital

VCC – Value Composition of Capital

VET – Vocational Education and Training

YTS – Youth Training Scheme

YU – Youth Unemployment
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Introduction

This Introduction provides an overview, explanation, and justification of this thesis research. The introduction is divided into five sections: Section 1 details what the research is examining and Section 2 details why this topic has been chosen. Section 3 states the research questions which guide this thesis and Section 4 explains how the research is to be conducted. Section 5 summarises the structure of this thesis.

1. What is the topic of this research?

This research aims to understand the structural factors affecting the work and employment conditions of young workers in Greater Manchester’s local labour market. This research will achieve this aim by conducting a local labour market study of Greater Manchester which situates work and employment conditions within broader processes of political economy, specifically how capital accumulation occurs and is mediated through the local state and individual private employers in Greater Manchester. The research situates young workers within the capital-labour relation by focusing on the purchase, sale, and utilisation of young worker’s labour-power in Greater Manchester’s local labour market. By focusing on the capitalist processes which shape young workers the aim is not to downplay or deny the agency of young workers. Rather, focus is given to how structural processes shape the conditions within which young workers exert their agency.

This research identifies the capitalist mode of production and the resultant social relations of production as central to understanding social phenomena. The main
social relation is between capital and labour; this is an abstract, antagonistic relationship which cannot be immediately observed but which manifests in empirical phenomena. In order to analyse how concepts such as capital and labour empirically manifest it is necessary to adopt a methodological approach which articulates these abstract concepts through empirical observation. This research therefore explores the manifestations of the capital-labour relationship by examining the position of young workers in labour markets and their relationship with key labour market actors, such as the local state and private employers. This approach is necessary to explore and understand the complexities of the material conditions experienced by young workers.

This research seeks to understand the relation between abstract, global processes of capitalism and local labour market outcomes for young workers. The approach adopted to achieve this aim draws on the research areas of global political economy and industrial relations. Global political economy is a diverse research area which offers valuable insights into the complex workings of capitalism at a global level and also at the level of the state and employment systems. Industrial relations is an equally varied research area and can provide rigorous conceptual tools to help understand workplace dynamics, labour markets and employment conditions. The specific literatures which this thesis draws upon are detailed in Chapters 1 and 2.

Before progressing further it is necessary to define what is meant by ‘young’ and ‘worker’. This research defines young as being aged between 16-24 years old. The Office for National Statistics (ONS) defines young people as aged 16-24 (ONS, 2016), whilst The International Labour Organisation and the United Nations defines young people as aged 15-24 (ILO, 2016a; UN, 2016). The ONS definition is favoured because this research focuses on UK labour markets and as such draws upon statistical data gathered by the ONS. ‘Worker’ is defined in a broad sense in the UK (HM Government, 2017). A person is a worker if: they
have a contract or other work arrangement, they work for money or benefit in kind and they have limited subcontracting rights. Workers are entitled to some but not all employment rights. A person is an employee, by contrast, if they work under an employment contract. All employees are workers, but employees have additional employment rights, such as the right to request flexible working (HM Government, 2017). Whilst most young people are employees, the existence of non-standard forms of work among young people necessitates the usage of the broader term ‘worker’ in this research.

2. Research questions

This thesis has three research questions which structure and guide the direction of the research. These are:

1. How do processes of capital accumulation manifest in local labour markets and how do these processes affect young workers’ material conditions?
2. What is the relationship between the local state and young workers and how does it affect young workers’ material conditions?
3. What is the relationship between local employers and young workers and how does it affect young workers’ material conditions?

These questions are constructed to analyse different the factors affecting the conditions of young workers in Greater Manchester’s local labour market. Each question has been selected and constructed to analyse a different aspect of young workers’ relationship with capital and to draw in a different part of the capital-labour relation.
Question 1 examines the relationship between young workers and labour market processes in Greater Manchester. Question 1 has been constructed to situate young workers within the global capitalist system of accumulation. The question aims to identify processes which shape labour market outcomes and how they have altered over time to produce the contemporary labour markets that young workers exist within.

Question 2 examines the relationship between the local state and young workers in Greater Manchester. It seeks to understand the multi-faceted and often contradictory behaviours of local state managers and institutions, and how their actions affect young workers. Question 2 relates to Question 1 as the actions of local state managers are shaped by the same abstract processes of capital accumulation which occur across labour markets. The local state is analysed prior to local employers as the local state is ultimately a manifestation of the national state, which shapes the macroeconomic conditions local employers operate in.

Question 3 examines the relationship between young workers and local employers. This question looks at how different employers pursue different business strategies involving the labour-power of young workers and how this leads to different material outcomes for young workers. There are clear differences amongst conditions experienced by young workers depending on sectoral and occupational position and it is for this reason that Question 3 is operationalised by analysing six employers across three different sectors of Greater Manchester’s local labour market, namely: manufacturing, business services and the creative and digital sector.
3. Why are young workers the focus of this research?

Existing research suggests worsening labour market conditions for young workers; the youth unemployment rate in the UK is 13.7%, 2.7 times higher than all-age unemployment¹ (ONS, 2016a), and the youth unemployment ratio is 20.2%, an historical high in the UK (O’Reilly et al., 2015). Although the financial crisis of 2007 did lead to a large rise in cyclical unemployment for young workers the labour market conditions for young workers were worsening prior to its onset (ONS, 2009; 2011; Keep, 2012), and there has been a steady rise in structural unemployment amongst young workers since the mid-2000s. There is also evidence of structural inequalities which disproportionately affect young workers: whilst 21% of all-age workers in the UK are in low-paid employment² the number is 40% for workers aged 21-25 and 77% for workers aged 16-20 (Clarke & D’Arcy, 2016: 20). High incidences of low-paid work amongst young workers are exacerbated by problems of workplace and labour market insecurity. Young workers often find themselves ‘churning’ between insecure or ‘precarious’ work (MacDonald, 2009; Standing, 2011), and recent research by Gregg and Gardiner (2015) has shown a deepening of insecure employment conditions for young workers. Changes in the UK’s labour markets are not unique; similar trends are evident globally. Existing research identifies the social threat posed by high youth unemployment and poor-quality employment (OECD, 2013 Grimshaw, 2014; Rockerfeller Foundation, 2015).

Unfavourable labour market conditions for young workers are reflected in mainstream media coverage; young workers are presented as disenfranchised, disheartened, and ‘socially excluded’ (Gough, 2015). Various descriptive terms

¹ All-age unemployment is 5.1%, as of 2016.
² Low pay is defined as 2/3 of the median income. The number of all-age UK workers in low-paid employment has increased by 5% since 2011 (Grimshaw, 2011; Clarke & D’Arcy, 2016).
have entered into popular discourses about young workers; there is the notion of a ‘lost generation’ (Powell, 2017), a ‘boomerang generation’ (Pew Research Centre, 2012) and ‘clipped-wing generation’ (Shelter, 2014), as well as the acronym ‘NEET’, which refers to young people who are not in employment, education or training (Keep, 2012). The array of descriptions surrounding young workers (and youth more generally) necessitates a greater understanding of the causes and specificities of their material conditions.

Another reason why the material conditions of young workers need to be explored is because of the amount of elite interest which is focused on them. The high level of youth unemployment which developed across countries since the 2007 recession – and poor-quality working conditions more generally – have been labelled as a major crisis by organisations such as the IMF (2014), the OECD (2013) and the UK government (Department for Business, Innovation & Skills, 2013). Elite interest in the plight of young people is surprising as elites are often contemptuous of the suffering of the poor. Young people, however, have been singled out and ‘problematised’ (Sukharieh & Tannock, 2015). One possible reason for this interest could be because young people have a social role as the next generation of workers, necessary for continued capitalist accumulation. Indeed, the history of capitalism can be conceptualised as no more than a succession of generations which provide labour-power for capital (Marx, 1852 [1937]). When young people are situated within prevailing capitalist social relations the role they have as workers becomes more apparent, as does the need to analyse them accordingly.

The problems facing young workers are exacerbated by the incomplete nature of existing research. Problems of youth unemployment and poor-quality work and employment conditions are often explained in a way which individualises and essentialises young workers. Some research also focuses narrowly on one aspect of young workers’ circumstances, leading to partial explanations of their material
conditions. Examples include research which identifies lack of skills as the main reason for low-paid work, or research which seeks to claim young people are incapable of working in the same way as all-age workers (a critical review of existing research is presented in Chapter 2). These approaches downplay or ignore structural factors and systemic processes which shape the prevailing conditions of labour markets, such as: the sectoral and occupational composition of labour markets, the nature and form of state regulation, the prevailing business strategies of employers, the behaviour of the financial system, or the condition of the global economy. Conventional accounts also fail to sufficiently theorise changes which have occurred across the global capitalist economy since the capitalist crises of the 1970s in what has become known as neoliberalism (Harvey, 1989). Neoliberalism is best understood as both an ideational and material set of processes in which the power of capital has expanded relative to labour, manifest in the behaviour of states and employers (Harvey, 2005; Brenner et. al, 2010a; 2010b; Bruff, 2014). For young workers these changes have taken the form of: stagnant real wages, increasingly polarised labour markets, greater competition for employment, and greater intensification of working conditions. There is therefore a need for a theoretical approach which unites all of these different phenomena and understands them all as internally related, rather than as discrete and external to one another. It is for this reason that a local labour market approach has been adopted to explore and analyse the conditions of young workers. This approach is detailed in Section 4, below, and in Chapter 3.
4. How is this research being conducted?

The research questions of this thesis are grounded and operationalised by conducting a local labour market (LLM) study of Greater Manchester which seeks to understand prevailing work and employment conditions for young workers. A LLM can be defined in several ways. At its most basic and immediate level it is a geographically bounded space. LLMs are also sites where processes of capitalist production and social reproduction occur and where abstract class relations between labour and capital become concretised in workplaces, state governance practices and in civil society. Focusing on the level of the locality is important because it is at this spatial scale where capitalist production and reproduction occurs. Workers are generally employed in specific geographical locations and live in one location only. The local level is also important as it is where the contradictory outcomes of capitalist accumulation manifest and where attempts are made to resolve them. An analytical focus on the local level allows for young workers to be situated within the labour-capital relation, as it is expressed through the local state and local employers. Chapter 3 provides a fuller definition of a local labour markets and examines the concept in more detail.

This local labour market study focuses on Greater Manchester, a metropolitan county in the North West of England with a population of around 2.7 million, of which around 360,000 are aged 16-24. Greater Manchester has been selected as a case study for several reasons, notably its historical political economy. Greater Manchester was one of the world’s first industrial cities in the 19th century, but by the 1980s it had undergone severe deindustrialisation which led to high levels of unemployment and poverty. Since then the local economy has re-grown through the expansion of the service sector and accompanying shifts in local economic governance. Greater Manchester is presented as a model of economic success by national elites who have devolved some powers over tax collection
and spending, infrastructure and development to the locality (HM Treasury, 2014). However, Greater Manchester is also marked by high and rising levels of low-paid, low-productivity work which is creating polarised labour markets. Low-pay and accompanying economic insecurity is disproportionately affecting young workers in Greater Manchester. Chapter 3 explores why Greater Manchester has been selected as a case study in more detail.

In order to be able to systematically analyse the conditions facing young workers in labour markets it is necessary to understand what – if anything – is specific to ‘youth’ in capitalist society. This understanding is achieved by situating the social stratum of ‘youth’ in relation to existing capitalist categories of analysis, namely: capital, labour, social class, and the state. This analytical process allows an exploration of the factors which affect the material conditions of young workers and how these can shift over time. Analysing the conditions of young workers needs to begin by understanding what is unique about ‘youth’ or young people. This thesis rejects biologically deterministic understandings of youth in favour of an analysis which begins from an understanding of youth as being a socially constructed category. It is therefore necessary to think about how ‘youth’ is defined, and by whom. The United Nations (UN) defines youth as:

‘...as a period of transition from the dependence of childhood to adulthood’s independence...as a category, youth is more fluid than other fixed age-groups. Yet, age is the easiest way to define this group, particularly in relation to education and employment, because ‘youth’ is often referred to a person between the ages of leaving compulsory education, and finding their first job’. (United Nations, 2015).

The UN definition highlights several important points relevant to understanding youth and how it is defined. Firstly, youth is defined in relation to age, but it is also defined in relation to social status, specifically the transition from education
Secondly, youth is defined as a category which is ‘fluid’, rather than fixed. A final point not mentioned by this definition but which is important is that youth is a universal category. All people – all races, genders, and social classes - are at some point young, albeit for a finite period. Youth is therefore a *universal but temporary* social category. The specifics of this category and the implications of being labelled as young therefore vary across space and time. Chapter 2 of this thesis highlights the paucity of much of the existing literature on youth and young workers, and the need to develop a rigorous political economy of youth which is able to systematically analyse their material conditions. In order to achieve this aim it is necessary to situate young people within relations of capitalist production and reproduction, in particular their role as workers in capitalist labour markets. Young workers are a marginalised group in labour markets and part of this research seeks to understand why this marginalisation occurs.

5. What is the structure of this research?

This thesis is comprised of eight Chapters. Chapter 1 presents a theoretical literature review which forms the theoretical basis of this thesis. Chapter 1 details the capital-labour relation, the contradictions of capitalist accumulation, labour markets within capitalism, and the capitalist state. Chapter 2 critically engages with existing empirical research related to this thesis. Chapter 2 examines existing research and studies of Greater Manchester, young workers, and work and employment relations. Chapter 3 presents the methodology and research design of the thesis, answering the two inter-linked questions of how and why the research is conducted in the way that it is. Chapter 3 draws on material from previous chapters to generate a theoretically informed approach to collecting
empirical data which is based on the method of articulation. Chapter 3 explores how the abstract concepts explored in Chapter 1 are grounded and operationalised in the form of a local labour market study.

Chapter 4 is based on research question 1. Chapter 4 examines the historical political economy of Greater Manchester and situates young workers in relation to globally occurring processes of capitalist accumulation. Chapter 4 looks at how changes in capital accumulation in Greater Manchester have led to changes in labour markets and how these changes have affected the position of young workers in the international divisional of labour. Chapter 4 also situates and explains the labour market conditions of Greater Manchester in relation to the 1970s crisis of capitalism, and the emergence of neoliberalism at the level of local state governance strategy and in the employment relationship.

Chapter 5 is based on research question 2. It focuses on the local state in Greater Manchester in order to understand how the actions of local state actors directly and indirectly affect young workers. Chapter 5 analyses how processes explored in Chapter 4 have altered both the institutional structure of the local state and behaviour of local state managers. Chapter 5 explores how the development of neoliberalism has re-shaped the local state in Greater Manchester and what the outcomes of these changes have been in terms of local economic governance and local labour market policy. The Chapter then examines the consequences of these changes for young workers.

Chapter 6 is based on research question 3. It examines how shifts in capitalist accumulation affect young workers in different private employers across Greater Manchester. Chapter 6 details how employers operate different business strategies which lead to different outcomes for young workers. The Chapter explores the various ways in which young workers are employed and how their
labour-power is used, and explains these in relation to processes occurring at higher levels of abstraction.

Chapter 7 is an analytical chapter which explores the empirical findings from Chapters 4-6. Chapter 7 uses the theoretical approach developed in Chapter 1 to understand how processes of capital accumulation affect young workers in different ways. Chapter 7 completes the method of articulation explored in Chapter 3, re-assessing empirical phenomena by utilising Marxist value theory. Chapter 8 offers a conclusion to the thesis, presenting a summary of the research and what it has found. Chapter 8 re-states and answers the three research questions of the thesis and assesses its original research contribution. Chapter 8 also explores the potential for future research and the policy implications of the research.
Chapter 1 – Theoretical framework

Introduction

This chapter details the theoretical framework of the thesis. It has two main aims: to explain the theoretical framework and justify why this particular theoretical approach has been adopted, and to examine how this theoretical framework is used to explore the working conditions of young workers in Greater Manchester. To understand the material conditions experienced by young workers it is necessary to make use of a theoretical approach which is capable of critically understanding work and employment. More specifically, it is necessary to understand the relations between workers and other social actors within a capitalist system of production. This thesis draws upon Marxist theoretical understandings of capitalism to achieve this aim (Marx, 1857 [1993]; 1867 [1990]; 1885 [1992]). Marxism stems from the work of Karl Marx who developed a critique of classical political economy and the writing of Smith (1827 [2005]), Ricardo (1817 [1951]) and others. Marx sought to understand the nature of capitalism by analysing 19th century production and in doing so shifted the focus of political economy on to workers in order to explain the material circumstances of society (Elson, 1979: 124)\(^3\). Subsequent research has developed Marx’s work into the theoretical tradition of Marxism, which seeks to explain working conditions by situating them within the capitalist mode of production and capitalist class-relations.

This literature review is divided into 4 sections. Section 1 examines the capital-labour relation, Section 2 examines the contradictions emerging from the

\(^3\) This is demonstrated in Marx’s magnum opus, Capital, which begins with an analysis of commodity production because it is the ‘simplest social form in which the labour product, and therefore labour itself, is represented in contemporary society’ (Marx, 1867, cited in Elson, 1979: 124).
capitalist mode of production, Section 3 details varying conceptualisations of labour markets and Section 4 theorises the capitalist state.

1. The capital-labour relation

Capitalism is the dominant system of production globally. The dominance of capitalism does not mean all social relations are capitalist, but it does mean all social relations exist in the shadow of capitalism. The unique feature of capitalism is the buying and selling of workers’ labour-power by capital, which has the aim of using it in the productive process to self-expand, or valorise. The relation between capital (as purchaser of labour-power) and labour (as bearer of labour-power) is the central social relation in capitalism. It is a class-based relation and is characterised by antagonism as capital seeks to subordinate labour-power to generate surplus value, whilst labour seeks to sell its labour-power so that it can engage in social reproduction. Labour is fundamentally unfree; it is coerced into selling its labour-power to capital to survive because it has been excluded from ownership of the means of production (Marx, 1867 [1990]; 1885 [1992]).

1.1. Capital

Capital can be understood as ‘self-expanding value’ (Fine, 1975: 28). This definition means capital takes many forms, for example when labour-power is used in the capitalist production process it becomes ‘variable capital’ (Fine, 1975: 28).
2008). Similarly, money ‘is only capital when acting as such in order to generate more money’ (Fine, 1975: 28). Harvey (2014) argues capital can be understood in relational terms and cannot be understood independently of labour, as capital relies upon labour to engage in the process of generating more capital. Clarke (1990) emphasises the importance of levels of abstraction of thought within Marx’s work, suggesting that Marx:

‘does not initially define capital in its relation to labour, either as the social relation between capitalist and labourer, or the technical relation between machines and men (that is often the everyday meaning of the term)....Marx is concerned with the “general formula of capital”...in its most general form capital is defined as value that expands itself, self-valorising value’ (1990: 10).

This abstract conceptualisation becomes more concrete in the process of production, as capital becomes ‘a sum of money (value) laid out on means of production and labour-power. In this sense labour-power is therefore part of capital [as labour-power becomes variable capital in the production process]’ (Clarke, 1990: 13). These varying understandings demonstrate capital is only fully comprehensible when analysed at multiple levels of abstraction using Marx’s method of articulation (detailed in Chapter 3). Capital is an abstraction, but the outcomes of capital’s self-valorisation are empirically observable, for example in the actions of individual, private, profit-seeking firms.6

6 There are various forms taken by capital in the circuit of accumulation. One is productive capital, which produces commodity goods or services to generate profits. Another is merchant capital, which seeks to profit from engaging in the exchange and distribution of commodities. There is also financial capital, which seeks to appropriate surplus value from the circuit of capital through engaging in financial activities. In recent decades the influence of finance capital over the ‘real economy’ of production has become far more common, in a in a contested process known as financialisation (McNally, 2009; Fine and Saad-Filho, 2010; Appelbaum et al., 2013; Fine, 2013; Kliman and Williams, 2014). Producers, merchants, and financiers can all exist as employers. Despite the different ways in which capital operates all capitals make use of labour-power in some form or other in order to engage in profit-making activities. The specifics of how labour-power is used by employers – and the wider dynamics of the employment relation – are detailed in Chapter 2.
1.2. Labour

While capital seeks continuous self-expansion, labour seeks to sell its labour-power - its capacity to work\(^7\) - to capital in order to survive because labour has been historically dispossessed from social means of production and therefore has no other means of survival. This selling of labour-power by labour to capital can be understood as the exploitation of labour by capital, albeit exploitation which occurs under the illusion of ‘freedom of exchange’ (Fine, 1975: 25) in which labour is “free” to sell its labour in the market place. However, this masks the reality that labour has to sell its labour power in order to survive – in this respect it is no better than a ‘wage-slave’ (1975: 26-7).

The relationship between labour and capital is the fundamental social relationship under capitalism. It is however an abstract relationship, meaning that it can be expressed concretely in a variety of social forms which lead to various outcomes. Harvey (2014) notes the ‘tangible manifestations [of the capital-labour relation] are meditated and tangled up through the filters of other forms of social distinction such as race, gender, [and] ethnicity’ (2014: 68). Similarly, Gough (2015) suggests the ‘bedrock of society is a set of social relations…and those of class, gender and ethnicity or “race” are central’ (2015: 198). Harvey goes on to note that the relation between workers and employers is however the ‘primary locus of mass alienation’ in capitalist society, meaning that conditions of work and employment are what most affect people’s lives (2014: 68-69). The intersection of the capital-labour relation and other social categories is important when analysing the conditions of young workers as attention must be given to both the biological category of age, and the social construction of youth.

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\(^7\) Marx defines labour-power ‘as the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being, capabilities which he (sic) sets in motion whenever he produces a use-value of any kind’ (Marx, 1867 [1990]: 270).
Marxist theory emphasises class struggle as the driver of human society, stemming from the antagonism between capital as owners of production and labour as sellers of labour-power (Marx, [1867] 1990). It is therefore analytically unhelpful to conceptualise society as made up of atomised individuals as this downplays the importance of structural factors (Fine, 1998). Burnham (2006) notes that in Marx’s work, and in subsequent Marxist theory, ‘individuals are dealt with only as personifications of social categories, of particular class relations and interests’ (2006: 71). Burnham adds that ‘to assume that social relations between individuals are expressed as a goal that appears to exist for its own sake is to neglect the underlying processes that gave rise to those relations’ (2006: 71-2). Burnham’s analysis highlights the necessity of analysing society in a manner which moves beyond surface appearances and instead begins from the basis of existing social relations. This distinction has been termed the difference between ‘appearance’ and ‘essence’ and is a feature of capitalist commodity producing society, in which social relations between humans become ‘fetishised’, and are instead expressed as relations between commodities (Geras, 1971).

Elson (1979) notes that Marx made use of two paired categories to analyse labour in capitalism; abstract and concrete labour, and social and private labour. These ‘are not concepts of different types of labour…they are concepts of different aspects of labour’ which exist in all historical epochs, but differ in their configuration in each epoch (1979: 144). Elson states ‘Marx argue[d] that under capitalism the concrete aspect of labour is privatised and the social aspect of labour is abstracted’ (1979: 145). For Elson, individual labour appears separate but it is not; labour is always social, this is just not always obvious. Capitalist production is ‘private in the sense that the social relation of each producing unit to all others is latent, hidden; [it is] not [private] in the sense that labour as an activity has no social character. Exchange…. brings out the social character that
was already latent, albeit…in a fetishized form, as a “social relation between things” (1979: 146-7).

Elson’s work identifies the inherently social nature of capitalist production and highlights the importance of not becoming distracted by or fixated on the minutiae of individuals’ behaviour under capitalism. For Elson, abstract labour is the concept ‘of the unity or similarity of human labour, differentiated simply in terms of quantity, duration’ (1979: 146-8). Concrete labour, by contrast is a concept of ‘subjective human activity “determined by aim, mode of operation, object, means and result”’ (1979: 148). The definitions of concrete and abstract labour are clarified by Clarke (1990) who explains concrete labour to mean ‘useful labour’ which represents the use value of what such labour produces. Abstract labour, by contrast, represents social labour in the sense that social labour is ‘homogenous’ (1990: 2-4). Ultimately, these categories of labour highlight the complexity of understanding labour within capitalism and the necessity of conceiving of labour collectively, rather than individually. Similarly, it is necessary to conceptualise labour both abstractly and concretely in order to relate labour to capitalist production and reproduction through value theory. Whilst subjective experiences of young workers are not unimportant there is a tendency in some research on young workers to fetishize individual beliefs and actions, and ignore to structural processes shaping material circumstances. This literature is reviewed in Chapter 2. A key analytical concept for understanding social relations under capitalism is value theory, discussed below.

1.3. Value and the value theory of labour

The concept of value as a measure of production is specific to capitalist society. Value is unique to capitalism as ‘[capitalist] exchange is a particular system of
social relationships and not simply an institution through which prices are mechanically derived from labour times...[therefore] value is a characteristic only of a particular kind of society, a society in which the relations between producers as members of society are regulated through the market’ (Clarke, 1990: 5). In capitalist societies commodities are produced not for their intrinsic worth (their use value), but in order to realise a profit through sale in capitalist markets (their exchange value) (Marx, [1867] 1990: 131-8). Exchange value is a manifestation of value, as Clarke details:

‘[value expresses] the socially necessary labour time [SNLT]\(^8\), the portion of the total labour time of the society allocated to [a] commodity, the labour time of the individual producer in relation to the labour time of society as a whole. This relationship cannot be found in the individual commodity, or in the relationship of the individual producer to that commodity, but only in the relationship between producers that manifests itself in the exchange relation between commodities... the concept of value is not a technological concept, it is a fundamentally social concept: value expresses the social relation between producers, a social relation that does not appear directly but appears only in the exchange of commodities between producers, or in the sale of a commodity for money’ (1990: 5).

The concept of value is necessary to understand the value of a commodity in relation to the amount of labour time that has gone into producing it. As Clarke states ‘value refers to the fact that as products of labour commodities embody a certain amount of labour-time. Value expresses the fact that the commodity is the product of social labour, of a part of the labour-time of society as a whole, and not simply the private labour of a particular individual.’ (Clarke, 1990: 2). Clarke goes on to say that ‘since value is a purely social phenomenon it cannot find any direct natural expression, but can only be expressed in the relation between

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\(^8\) ‘socially necessary labour-time’ (SNLT) is used as a term over ‘labour-time’, otherwise a lazy worker’s labour would be more valuable.
commodities: ‘[what Marx calls] the "social relation between commodity and commodity", exchange value, is the relation between the labour expended on each as part of the labour of society as a whole.’ (Clarke, 1990: 3). Value can therefore be understood as being abstract human labour and the value of a commodity is ‘the labour time socially necessary to produce it, including both direct (living) and indirect (dead, or past) labour inputs’ the latter referring to the ‘labour time necessary to produce the required means of production i.e. raw materials, machinery…and so on’ (Fine & Saad-Filho, 2010: 18).

This conceptualisation of value emphasises the fundamentally social nature of society and the way in which humans produce and reproduce. Capitalist production generates ‘social use values’ for purposes of profitable exchange; these are created by ‘social labour in the abstract…[and capitalist] exchange represents…the exchange of the products of individual concrete labour [ICL] treated as abstract social labour [ASL]’ (Fine, 1975: 22). Within any exchange there is a social relation but it is masked by the individualised and commodified nature of capitalist production. Although it appears commodities are being exchanged what actually is being exchanged is labour-power, crystallised in concrete form. Social relations are mediated through commodities (Fine, 1975: 22-3) and the capitalist market for commodities becomes a way of ‘allocating social labour’ (Clarke, 1990: 2). Relations between producers therefore appear as independent, rather than social, and the social nature of production is expressed through the commodities which are produced. Elson (1979) goes on to say that ‘when viewed just as physical objects commodities are objectifications of concrete not abstract labour’ and that objectifying abstract labour is odd (1979: 133-4). She also notes that Marx refers to ‘phantom-like objectivity’ in the sense that human labour-power is expended to produce commodities and human labour-power is accumulated in them ‘as crystals of this social substance, which is
common to them all, they are values – commodity values’ (Marx, 1867 [1990]: 128, cited in Elson, 1979: 134).

The ‘freedom’ of exchange between labour and capital in sphere of exchange is contrasted with the exploitation of labour in the sphere of production, where labour-power is used by capital to generate surplus value. The generation of surplus value in capitalist production is only possible because labour-power is the only commodity which is able to create value. There are various strategies by which capital seeks to generate surplus value from purchased labour-power. The most common way is through paying labour less than the value of its labour-power so that capital can generate more surplus value from labour-power in production. This process does not imply an unequal exchange between capital and labour. Rather, it is better understood through the concept of the rate of exploitation, which is expressed \( e = s/v \), where \( e \) is the rate of exploitation, \( s \) is surplus value (SV) and \( v \) is variable capital (VC), or the value of labour-power\(^9\).

For example, a worker employed for 8 hours may produce in 4 hours the value of the wages that they are paid. The subsequent 4 hours are spent producing surplus value which can be realised as capitalist profit. The value of labour-power is therefore best understood as ‘determined by the labour-time necessary for the production, and consequently also the reproduction, of this specific [commodity] article … the value of labour-power is the value of the means of subsistence necessary for the maintenance of its owner’ (Marx, 1867 [1990]: 274; Fine and Saad-Filho, 2010). It is important for the value of labour-power to be enough to ‘maintain [a worker] in [their] normal state as a working individual…[it includes a]…moral and historical element’ (1867 [1990]: 274), and also ‘an allowance for the production of a new generation, and the education and training of the worker’

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\(^9\) VC is capital whose value alters during the production process, as a result of its capacity to produce more as an output than an input. Conversely, constant capital (CC) is capital whose value does not alter ‘but is preserved in value by the labourer’ (Fine 1975: 32), for example raw materials. The value of a commodity can therefore be calculated via the formula: \( SV + VC + CC \). The cost of a commodity can be calculated by the formula \( CC + VC \), and the profit from the production of the commodity being \( SV \) (Fine, 1975: 30).
(Clarke, 1990: 11). These ‘moral and historical factors’ refer to the value of labour-power being shaped by a struggle over what is an acceptable or normal level of subsistence for labour, and not merely affected by economic processes (Fine, 2008). Class struggle occurs not only at the level of the workplace, but throughout society, not least at the level of the state. Fine (2008) points out that class conflict is not always over productivity; labour can welcome productivity increases as they can make work easier (2008: 107).10

Understanding value theory and the uniqueness of labour-power as a value-producing commodity is critical to understanding the material conditions of young workers. The value of labour-power is shown to be expressed socially and therefore it is affected by a multitude of factors in both the spheres of production and exchange, both of which are contested. The generation of surplus value in the production process and the struggles which can ensue will now be briefly discussed, as will the notion of class struggle.

1.4. The generation of surplus value in the production process

One of the central contradictions of capitalist production is that commodities are produced primarily for their exchange-value, rather than their use value. The prioritising of exchange-value in capitalist production occurs as individual capitals must continually expand or they risk being absorbed by larger capitals. The need to engage in continuous self-expansion manifests concretely in the form of market competition amongst individual capitals (Marx, [1867] 1990; Harvey, 2003; 2007; Fine and Saad-Filho, 2010). Individual capitalist producers aim to

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10 Class struggle is not a zero-sum game and the structures and processes stemming from productivity increases are ‘too many and too complex to be reduced to single analytical index’ (2008: 107). Fine also notes that ‘Marx didn’t discover class conflict….one of his self-acclaimed achievements was to locate class struggle in the context of particular modes of production. Under capitalism the production of surplus value sets parameters within which class struggle can be located….it is necessary to understand these first before looking at class…. hence why Marx analyses commodity-form first’ (Fine, 2008: 107-8).
generate more capital than they started with. This process is expressed in Marx’s general formula of capital: M – C…P…C’ – M’ (Marx, [1867] 1990) and in Figure 1, below:

![Figure 1: The circuit of capitalist accumulation for an individual capital](source)

Source: Fine & Saad-Filho, 2010: 47

In the circuit of capital accumulation surplus value is created in ‘production by purchasing labour-power at a value below labour time. Surplus value appears first in the commodity form rather than the money form’ (Fine, 1975: 45). The circuit of capitalist accumulation can be viewed from the perspective of different types of capital, leading to different insights and generating different contradictions. Viewed from the perspective of money-capital (M) production is an ‘unfortunate interruption’ in the process of generating more money for capitalists (Fine, 1975: 47). Production is something capital can seek to avoid by engaging in exclusively financial forms of accumulation. In the productive sphere circulation is ‘the unwarranted interruption’; the aim of production is to generate profit, not consumption (Fine, 1975: 48). If there is an increase in rentier capital without a corresponding increase in productive capital, however, then speculative
bubbles can develop (Fine, 1975: 48; McNally, 2009). Understanding the uncoordinated nature of capitalist production and the way in which this can lead to crises is important for understanding why crises occur with such frequency and regularity, and also why capitalist crises are endemic to capitalism, rather than being a result of the actions of specific groups or individuals (Kliman, 2008). The systemic nature of crises are relevant when understanding concrete outcomes of crises for labour markets, notably unemployment, stagnant real wages and government responses such as labour market reform.

### 1.5. Absolute and relative surplus value

Capitalist competition leads to individual capitalists attempting to ensure their commodity’s value is less than its ‘market evaluation’ so that it can be sold for profit (Fine and Saad-Filho, 2010). The value contained within a commodity can be reduced by diminishing the SNLT required for its production. There are two methods by which capital can increase the productivity of labour-power to reduce SNLT and generate a greater proportion of surplus value in production. Surplus value can be increased absolutely, or in a relative manner. Absolute surplus value (ASV) is generated through increasing the length of the working day, or through increasing the intensity of work during the working day by decreasing the ‘porosity’ of the working day (Green, 2001; Marx, 1867 [1990]). ASV changes the ratio of $s/v$ by extending the time available to produce surplus value. Relative surplus value (RSV), by contrast, is generated through utilising technology to increase the productivity of labour to reduce SNLT. Relatedly, RSV cannot be brought about by an individual capitalist because it ‘requires a reduction in the time taken to produce worker[s’] subsistence’, so instead needs a generalised increase in productivity by capital (Clarke, 1990: 15). There can be overlap
between ASV and RSV generation as both strategies can occur alongside one another at the empirical level of individual employers.

ASV and RSV are important concepts for understanding how individual capitals make use of the labour-power of young workers and therefore for understanding working conditions of young workers. Employers may operate a business strategy which favours low-wage, low-skilled competition which is typified by an intensified labour process in which labour is “sweated”. This type of strategy generates increases in productivity through increasing ASV. Employers can conversely favour strategies in which productivity gains are made through investing in new technology, which – if used to produce ‘articles of consumption’ - will contribute to the reducing of the value of labour-power (Marx, 1885 [1992]). The manifestations of these strategies in workplaces depend on a range of factors, including: actions of other capitals, behaviour of state actors, and the responses of labour. Capital accumulation and competition occur concurrently and are ‘inseparable from class struggle’, in part because competition causes rates of profits and wages to be ‘equalised as the maximum exchange value for commodities is sought in the market’ (Fine, 1975: 39 – 42). This latter point is important when examining differences between sectors of the local economy, in particular for understanding why certain types of business strategies become more common. These processes are explored by looking in more detail at individual employers in Greater Manchester in Chapter 6.

11 Marx differentiates social production into two Departments. Department 1 commodities are ‘means of production’ and Department 2 are ‘articles of consumption’. Marx defines the former as ‘commodities that possess a form in which they either have to enter productive consumption, or at last can enter this’ and that latter as ‘commodities that possess a form in which they enter the individual consumption of the capitalist and working classes’ (Marx, 1885 [1992]: 471).
1.6. Class struggles over the value of labour-power in labour markets

Marx ([1867] 1990) notes that: ‘in the history of capitalist production, the establishment of a norm for the working day presents itself as a struggle over the limits of that day, a struggle between collective capital, i.e. the class of capitalists, and collective labour, i.e. the working class.’ ([1867] 1990: 344). In Volume One of *Capital* Marx abstracts from class struggle in other parts of capitalism and focuses exclusively on class struggle in the sphere of production, specifically on the working day and how surplus value is generated. This focus is important as subsequent ‘neo-Ricardian’ interpretations of Marx’s work have focused on class struggle as manifesting primarily in the form of struggles over wages in the sphere of realisation. The work of Glynn and Sutcliffe (1972) is an example of this; they argue a ‘profit squeeze’ occurs for capital when, for a given level of profitability, it is confronted with rising demands for wages. This interpretation of class struggle by Glynn and Sutcliffe detracts from struggles over the value of labour-power which occur in the sphere of production and instead fetishizes wages and the sphere of exchange as the locus of class struggle. Fine (1981) argues that - while there is a need to distinguish between how surplus value is produced and how it is realised - the value of labour-power ought to be the focus of analysis when looking at class struggle, rather than focusing exclusively on levels of wages (1981: 140-2).

Having explored the central concepts of capital, labour, value theory, the production process and class struggle it is now necessary to explore some of the key contradictions of capitalism which shape work and employment conditions for young workers.
2. Contradictions of capitalism

Capitalism is beset with contradictory tendencies which shape work and employment conditions (Harvey, 2014). The term contradiction is however contested. McGovern (2007) argues for a ‘moratorium’ on the use of the concept as ‘contradictory propositions do not convey any sort of useful information. Rather, they are essentially meaningless’ and prevent the existence and operationalisation of a deductive method (2007: 27). This criticism is limited as it is based on a flawed understanding of Marxist theory, in particular the impossibility of reconciling Marxism with formal logic. This irreconcilability is due to Marxism possessing an ‘abductive’ or ‘retroductive’ logic which operates across multiple levels of abstraction (Marsden, 2003). The Marxist method of articulation (detailed in Chapter 3) differs from deductive or inductive methods which are common in orthodox social inquiry. Adler (2007) expands on the logic of Marxism by defining contradiction as ‘a complex type of relation between real forces rather than…a logical incompatibility between propositions’ (2007: 1319).

Harvey (2014) argues that ‘contradiction zero’ in capitalism is that between appearance and reality which leads to fetishisms or distortions of reality, such as the tendency to view relations between social individuals as relations between objects (Harvey, 2014: 4). The concept of contradiction is important as it refers to the existence of a unity of opposing tendencies within capitalism which cannot be reconciled, but instead exist in a state of dynamic tension. Although contradictions are often presented in the form of a contradiction between $x$ and $y$, it is not the case that contradictory tendencies within capitalism take the form of a series of paired contradictions. Rather, contradictions ought to be understood as internal relations within capitalism itself (Ollman, 2003). Contradictions are presented as pairs for ease of comprehension, though it would be possible to engage in a more multi-dimensional exploration of the form and process of these
contradictions. Several contradictions are particularly relevant to this thesis, and are detailed below.

2.1. The contradiction between use value and exchange value

The contradiction between UV and EV refers to the tendency for individual capitalists to produce commodities for their EV rather than UV, leading to overproduction (Harvey, 2014: 15). This contradiction can result in markets becoming unable to absorb excess commodities which are produced, leading to the devaluation of capital. This contradiction can negatively impact labour markets as employment may be reduced or working conditions intensified. This tendency is exacerbated by the tendency towards periods of concentration of ownership in which certain capitals come to dominate entire sectors and industries, leading to whole cities and regions being enthralled to specific capitals. This tendency can be devastating for workers if these capitals then become unprofitable and seek to mitigate unprofitability by laying-off workers (2014: 131). The UV-EV contradiction is particularly relevant when understanding processes of industrial development and decline which affected swathes of the UK from the 1970s onwards and which continues to affect labour markets for young workers in Greater Manchester in the contemporary period.

12 Problems of overproduction can be responded to by intervention by the credit system (by providing credit for consumption) and the state (restricting production, imports, or purchasing excess commodities).
2.2. Contradictions relating to the profitability of capital and the productivity of labour

Strategies used by productive capital to generate surplus value are important and are related to the profitability of capital. Surplus value generation can be better understood using the three concepts of the: ‘organic composition of capital’ (OCC), ‘technical composition of capital’ (TCC), and ‘value composition of capital’ (VCC) (Fine, 1975: Fine and Harris, 1979; Fine and Saad-Filho, 2010). These concepts are useful when examining the tendency for the rate of profit to fall in capitalist accumulation, which leads to countervailing strategies by capital to restore profitability. The concrete manifestations of these processes are important for understanding material outcomes for young workers in labour markets.

The TCC is the ratio of material inputs (means of production, or constant capital (CC)) to living labour (wage goods, or variable capital (VC)) in the production process. The TCC represents the tendency for productivity to increase under conditions of capitalist accumulation as technology is combined with labour-power (Fine and Harris, 1976). It is not possible to measure this directly or compare between sectors as the TCC is a ‘heterogeneous bundle’ of inputs and can only be measured if reduced to a common denominator (1976: 40). This problem can be resolved by using Marx’s concept of value as a measure. The VCC is the TCC ratio expressed in value terms; it is the ratio of [CC] to [VC] (Fine, 1975: 58). Fine and Saad-Filho (2010) state: ‘this is not simply the choice of one index rather than another [but rather reflects the belief that value understood as [SNLT] is a legitimate category of analysis.’ (2010: 88).
The ratio which expresses the VCC (CC:VC) is the same ratio which is used to express the OCC. The OCC can be explained through two processes. The first process is the OCC rises ‘due to the rise in the TCC caused by a rise in productivity’, whilst the second is the ‘consequent reduction in values of commodities caused by this productivity increase.’ (1979: 60). The VCC captures and reflects these two processes and is the result of the complex articulation of the [three spheres] whilst the OCC measures ‘changes in production in value terms [and] consequently…measures something distinct from the VCC only when the TCC changes’ (Fine & Saad-Filho, 2010: 90). This distinction is what is meant when Marx said that the OCC mirrors the TCC (Marx 1867 [1990]). In the sphere of production the TCC is equivalent to the OCC and the OCC is based on ‘old values’ meaning that it is not based on the ‘always changing values’ of technological and production change but is instead based on the value of CC:VC before the value is realised in the sphere of exchange. The measurement of value which occurs after technological and productivity change results in the ‘new values’ represented by the VCC. This difference is a ‘conceptual not chronological…[as]…there is always capital moving in and out’ of the circuit of capitalist accumulation and the circuit itself is a constant process with no beginning or end. The VCC does serve the purpose of capturing the ‘contradictory processes of rising TCC [and] falling commodity prices due to technological progress, [and therefore] the VCC rises slower than the TCC and OCC’ (Fine & Saad-Filho, 2010: 91).

Marx’s method of abstracting out concepts to understand them and then bringing them back into reality is critical for understanding the difference between the OCC, VCC and TCC. This process is important for understanding how capitalist accumulation behaves and relates directly to the tendency for rates of capitalist

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13 Marx separated two ‘dialectically related processes’ which occur in capitalism due to capital having ‘two sides – value and material’ (Fine, 1979: 60).
profits to fall and the ‘counteracting tendencies’ which result. Fine (1975; 1976; 2010) stresses there is only a tendency towards profits to fall, and that this can be met by countervailing tendencies. These can include: how an increased TCC can cause individual capitals to substitute lower-valued labour-power for technology and engage in labour intensive forms of accumulation which have a low TCC and seek to generate profits through sweating labour.

The dynamism between the tendency towards declining profits and countervailing tendencies is at the heart of understanding capitalist society and resultant work and employment conditions. For example, if the OCC remains the same as capitalist accumulation increases then this indicates there ‘may have been technological advances as there may have been an increase to the physical output of commodities’. If the real wage is unchanged then more labour is employed because ‘increased total capital is divided in the same proportions between constant and variable capital’ (Fine, 1975: 37). However, if demand for labour increases this ‘may lead to wages going up, which may lead to a decline in profitability’ (1975: 37). An outcome of this process could be a rise in unemployment, or a reduction in the value of labour-power in order to restore profitability. This process would lead to ‘profit and accumulation [being] restored’ (1975: 37).

This dynamic analysis can also be used to understand the business cycle and employer strategies. The business cycle is shaped by ‘fluctuations in the rate of accumulation and effects on wages and profitability’ and the ‘tendency for living labour to be expelled from commodity production’ (Fine, 1975: 38). Expulsion of living labour leads to a higher TCC and economies of scale, leading to workers producing commodities more quickly, meaning that less of their value is contained relative to other inputs. This technological advance can create a ‘relative surplus population or industrial reserve army’ of labour which is labour not employed at a given moment, for whatever reason (Marx, 1867 [1990]: 781).
The larger the reserve army of labour is the larger the downward pressure it exerts on the value of labour-power, which can manifest in the form of reduced levels of employment, or reduced wages. Gamble (2009) has developed the idea of a ‘permanent reserve army of labour’ in contemporary capitalism caused by the increase in both structural unemployment and insecure, low-paid employment under neoliberal capitalism.

2.3. The contradiction between abstract and concrete labour: divisions of labour in labour markets

Contradictions surrounding the division of labour are particularly relevant to understanding working conditions. The capital-labour relation manifests as an individualised, private relation, usually between an individual employee and an employer. This distinction is compounded by social cleavages which exist within labour and which are used by capital to stratify labour. Gender is a notable example; women have been historically prevented from entering into certain sectors, and when they did enter jobs became ‘feminised’ as the value of labour-power fell (Fine, 1992). Similar processes of discrimination and devaluation are applicable for BME workers, immigrant workers, and other marginalised groups. Harvey (2014) succinctly states that ‘struggles over status within the division of labour and the recognition of skills are in effect struggles over differential life chances for the worker, and, by extension…over profitability for the capitalist. From the standpoint of capital it is useful if not crucial to have a labour market

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14The composition and extent of the reserve army can vary dependent on factors such as labour market regulation by the state, and employer strategies. Downward pressure exerted by the reserve army is the ‘absolute general law of capitalist production’ (Marx, [1867] 1990). Marx notes that the unemployed workers in the reserve army must be brought up to a higher standard for the needs of a technologically advanced capitalist accumulation; ‘the disposable working population held in reserve…must be replaced by the individual [worker] who is absolutely available for the different kinds of labour required of [them]…[they] must be replaced by the totally developed individual, for whom the different social functions are different modes of activity [they] take up in turn’ (Marx, 1867 [1990]: 618; Adler, 2007; Harvey, 2014: 126).
that is segmented, fragmented and internally highly competitive. This poses barriers to coherent and unified labour organisation’ (2014: 116). Divisions between workers can be used by capital to keep wages low by preventing collective action, for example in the form of trade unions.

This process of devaluing labour-power can affect young workers. Young workers can be discriminated against because of their age in the workplace, and in society more generally, with tacit or explicit state regulatory approval. This discrimination leads to a fragmentation of the labour-force by age. The empirical forms that this process can take are explored in Chapters 4-6 of this thesis. What is crucial to note is young workers should not be analysed primarily through the lens of age as it is class or young people’s status as workers which is dominant in shaping their material conditions. This point is expanded in Chapter 2, which surveys empirical literature on young workers.

3. Labour markets

Having explored the major contradictions which shape capitalism, this chapter will now examine the concept of labour markets in more detail. Particular attention is given to the limitations of orthodox accounts which fail to consider the uniqueness of labour-power as a commodity and how it is bought and sold in labour markets (Fine, 1998; 2016). Labour-power is borne by labour, meaning labour is a unique commodity in that it possesses agency. As such, markets for labour cannot be theorised in the same way as other commodity markets.15

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15 Fine (1998) argues that labour markets ‘exist in an economy based on the labour-capital relationship, and that they are driven by the pursuit of the generation of surplus value. This gives rise to structures, tendencies and forces that are open to reproduction and transformation’ (1998: 6). Fine also highlights the importance of social reproduction when analysing labour markets, and notes that labour markets cannot be analysed if they are abstracted from the generalised system of capitalist commodity production (1998: 6).
3.1. The limits of orthodox and heterodox approaches to labour markets

Despite the uniqueness of labour-power as a commodity it is conceptualised by orthodox economic theory as being commodity like any other (Smith, 2003). The under-theorisation of labour and labour-power has detrimental consequences for understanding labour market outcomes. At the extreme end of the spectrum are theories which conceptualise labour as the same as any other commodity which is bought or sold. Neoclassical theories of labour markets operate on the basis of examining supply and demand for labour and operate under the expectation that labour markets will ‘clear’ if wages are low enough (Smith, 2003). A modified version of neoclassical theory is human capital theory (HCT) (Becker, 1967) which posits that individuals invest in the development of their own ‘human capital’ through undergoing education and training with the aim of obtaining higher wages in the future. Advocates of this approach present it as an unproblematic process of skills development which leads to greater individual – and therefore social – economic productivity. HCT is problematic as it ignores structural factors which may prevent particular individuals or groups from accessing the educational resources to increase their human capital (Payne, 2017: 57). Furthermore, any human capital which is “invested” by individuals can only by realised under conditions of capitalist exploitation, thereby ultimately benefiting capital (Harvey, 2014: 185). A crucial difference between “human capital” and capital as conceptualised by Marxist theory is individual workers do not profit from their ‘human capital’ in the same way that capital does; workers must still sell their labour-power in exchange for a wage (2014: 186). At the most abstract level HCT is a ‘reification of the human’ (Fine, 1998: 57) which expunges collective social action from labour markets and focuses exclusively on the actions of individual agents.16

16 Human capital theory engages in ‘objectification’ as it depicts the possession of education or training in the same way as one would possess any other object (Fine, 1998: 57). Not only does this rest on a particular
Dual labour market theory (Gordon, 1972) offers an explanation of labour markets in which there is a primary labour market comprised of well-paid, secure jobs and a secondary labour market made up of low-paid, insecure jobs. Poire (1975) goes as far as to suggest that young workers voluntarily choose to be employed in lower-quality jobs in the secondary sector as they engage in ‘action-seeking adolescence’ which is not conducive to stable employment (1975: 144). This explanation is an example of blaming individuals employed in low-quality work for their status. This criticism contributed to a rejection of dual labour market theory in favour of segmented labour market (SLM) theories (Poire and Doeringer, 1971; Gordon, Edwards and Reich, 1982). SLM theories conceptualise labour markets as being made up of various subdivisions, some of which are occupied more by certain types of workers, such as young workers. SLM theory has similarities with neoclassical theory in that it is based on the notion of supply and demand as the main driver of labour market behaviour (Fine, 1998). SLM theories also draw on the neoclassical idea of non-competing markets, which looks at reasons why there may not be competition within a market (Payne, 2017: 57-9). One example given for a lack of competition is organisations such as trade unions can create barriers to entry into occupations or sectors (Noon et al., 2013), or that trade unions – through agitating for wage increases for labour - can act in such a way which distorts the capacity of labour markets to clear. A criticism raised by Nolan and Edwards (1984) is that proponents of SLM theory do not adequately locate their analysis in relation to abstract processes of capital accumulation. As such, there is a tendency for SLM theory to insufficiently connect labour market outcomes with processes of production, leading to an ‘intermediate approach’ which emphasises ‘labour

understanding of what is meant by skill, education, or training – namely that which can be used advantageously in a labour market – it also uses a conceptualisation of capital which ignores the inherently social nature of the labour-capital relation and the related questions of unequal power relations and social struggle (1998: 57).
control’ and fails to consider changes in the sphere of production more generally (1984: 198).

Related to SLM theory are approaches which examine ‘internal labour markets’ (ILMs) (Piore and Doeringer, 1971; McGovern et al., 2007) and ‘occupational labour markets’ (OLMs) (Ashton et al., 1990; Saar et al., 2008; Marsden, 2010). ILMs are labour markets which exist within an firm and are the mechanism by which individual workers progress through firms, whether through skills, education, training, experience, or a combination of factors. OLMs are the same, but for particular occupations, whether skilled trade or profession. Some research suggests internal and occupational labour markets have declined, leading to changes in labour market structures (Ashton et al., 1990; Capelli, 2001; Sennett, 2011). Others argue that change is overstated and ILMs/OLMs remain prominent (McGovern et al. 2007). The strength of these claims are explored in Chapters 4-6 this thesis; Chapter 6 in particular looks at the recruitment strategies of 6 different employers in Greater Manchester.

3.2. A Marxist approach to labour markets and local labour market studies

A Marxist approach to labour markets can be used to overcome the limitations of aforementioned labour market theories. Whilst the work of Marx is useful in understanding how labour-power is used by capital in the productive process, it is necessary to move beyond abstract concepts and engage in more complex empirical reality. Fine (2007) proposes a five-fold Marxist approach for analysing labour markets. First, labour markets should ‘be understood as, but not reduced to…the capital– labour relationship’. Second, ‘the relationship is structured, reproduced and transformed through the formation of the value of labour-power—a key category of Marxist political economy’. Third, ‘the value of labour-power is determined through the accumulation of capital’. Fourth, ‘the
way in which labour markets are formed, and the question of what interacts in order to form them, is historically specific’. And finally, ‘there is no such thing as the labour market…labour markets are structured and function differently from one another (including those that are not organised for capitalist profit), and are conditioned differently from one another by common factors in their economic and social reproduction’ (Fine, 2007: 125-9). Fine’s approach emphasises the need to analyse general forces….and build [a] theory [of labour markets] by moving from abstract to concrete determinants’ (1998: 128). This approach is useful for providing analytical clarity to the term ‘labour market’, which is often used in an overly descriptive manner.

A Marxist approach to labour markets allows analysis to be situated within capitalism, and within particular phases of capitalism. British political economy in the early post-war period was characterised by a commitment to full male employment, and post-war opportunities for capitalist expansion. Despite these changes it was not until the 1970s that an empiricist method of analysing local labour markets became prominent in the UK (Robinson, 1970; MacKay, 1971; Bosanquet & Doeringer 1973; Cowling, 1977; Carmichael, 1978). This type of research was problematic as little attempt was made to connect research findings with processes occurring at the level of political economy. Early empiricist research often succumbed to believing its analysis was objectively real and true, rather than contingent and predicated on existing material conditions (Marsden, 1982).

The research of Harvey (1987; 1989a; 1989b; 2003; 2006; 2014), Peck (1990; 1992; 1996; 1998) and Gough (2002; 2004;; 2013; 2015) highlights the contradictory tensions which exist in labour markets due to the nature of capitalist accumulation and how local state managers attempt to mediate these tensions. This research is a useful starting point for any labour market analysis of young workers, as it demonstrates how abstract concepts can be articulated and analysed
at an empirical level without downplaying the significance of forces and relations of production. One notable example of a theoretically informed, critical local labour market study is the London Labour Plan (GLC, 1986), which analyses themes still relevant to modern labour markets, including the socially constructed nature of ‘skilled work’ (1986: 240)\textsuperscript{17}, the ‘sweating’ of labour, the ‘casualisation’ of employment, and the attempts by employers and the state to promote ‘flexibility’ within labour markets (1986: 262-283). The Plan also describes the conditions of young workers:

‘...in [an] atmosphere where school leavers have become an undifferentiated cheap labour supply, attempts to extol the dignity of work are misplaced. At the same time, many employers, capitalising on the pool of unemployed youth, have grossly inflated the qualifications needed for trainee entry.’ (1986: 410).

It is not unimaginable to think that the above quote could refer to UK labour markets for young workers in 2018. The continued existence of these features of work in UK labour markets illustrates that they are aspects of larger struggles over the form and regulation of work and employment within capitalism.

4. The State

Understanding the form and composition of the capitalist state is crucial to understanding the conditions of young workers in labour markets because of the role state institutions have in regulating and controlling conditions of work and employment. The state can be conceived of abstractly and theorised as ‘the predominant mechanism for controlling production and the crystallisation of ideological, economic and (primarily) political relations’ (Clarke, 1991: 26). These ideological, economic, and political relations are predicated on the class-

\textsuperscript{17} For example, during the 1980s, in which the Plan was written, work carried out by women was defined as less skilled than work done by men, and so was valued less and paid less (1986: 244).
based nature of capitalist society which is fundamentally antagonistic. Burnham (2006) argues the antagonistic nature of capitalist society calls for ‘constant intervention’ from state managers and for the establishment of various forms of ‘[national and] international regimes and institutions’ of control (2006; 73). The state can therefore be conceived of as a ‘regulative agency, whose analysis…presupposes the analysis of the social relations of which the state is regulative. The analysis of the capitalist state conceptually presupposes the analysis of capital and of the reproduction of capitalist relations of production, despite the fact that in reality, of course, the state is itself a moment of the process of reproduction’ (Clarke, 1991). The state therefore has a role in regulating capitalist relations of production and reproduction whilst at the same time being an outcome of these relations.

Capital does not unproblematically control the state, as functionalist or instrumentalist accounts suggest (Jessop, 1990). It is more helpful to conceive of the state taking on a capitalist form through the ‘radical separation of the state from civil society...[in which]...the interests of the bourgeoisie are correspondingly secured not by its conquest of state power, but by the transformation in the form of the state associated with the generalisation of capitalist social relations of production’ (Clarke, 1989: 5). This analysis means that as the state-form is capitalist there does not need to be explicit and open dominance by a capitalist elite in order to secure capitalist accumulation. It also means that the within the ‘capitalist state-form...the state secures the interests of a class whose individual members are largely excluded from direct participation in affairs of state’ (Clarke, 1989). This type of analysis overcomes the difficulties in theoretically stating that, in order to secure capitalist accumulation, the state must do \( x \), or is prevented from doing \( y \). This approach is more nuanced than varied manifestations of the ‘relative autonomy’ theorisations of the state which argue the state is incompletely controlled by capital and as such is able to act for
the interests of capital in general, rather than particular capitals (Poulantzas, 1978). The abstract form of the capitalist state is mediated through complex layers of social reality and it is these concrete outcomes which must be analysed and related back to the abstraction of the state.\textsuperscript{18} Having explored the nature of the capitalist state, this section will now address the major contradictions which manifest through the capitalist state.

4.1. Contradictions of the capitalist state

The capitalist state is a site where attempts are made to overcome the contradictory tendencies of capitalist accumulation. However, the state is a necessary but not a sufficient mechanism for ensuring class rule and the continued expansion of capital accumulation, hence the recurrence of capitalist crises and continual struggles over production and reproduction. The contradictory tendencies which affect the state lead to differential outcomes meaning there is no one single type of ‘ideal’ state for capitalist accumulation. Understanding why the capitalist state is composed in its current manner in the UK is important for understanding labour market conditions in the UK and work and employment conditions for young workers.

\textsuperscript{18} Burnham (2006) argues Marxism is analytically useful in conceptualising the concrete outcomes of the capitalist state in a way that is more than mere ‘investigative journalism’; it does so by drawing out the underlying processes and contradictory dynamics shaping circuits of capitalist accumulation, of which the state is internally related to (2006; 67-68).
4.2. The contradiction between the global nature of capitalist accumulation and national governments

The contradictory nature of the capitalist state is evident in the manner in which capitalist relations of production and reproduction are processed through the national state of a particular territory. This process is contradictory as capitalist accumulation is fundamentally global in nature, whereas the state system is based on clearly defined (although often disputed) national borders. The state can therefore be understood as ‘process[ing] global class relations’ at the national level (Burnham, 1996), and acting as a ‘political node in a global totality’ (Charnock et al. 2014: 23). Any notion of there being a ‘national economy’ which is separate from the global capitalist economy is therefore no better than a ‘myth’ (Radice, 1984). The state is nationally constrained, and must seek to maintain the ‘production-reproduction nexus’ (PRN) – defined as the ‘interrelationship between production and reproduction via the labour force in a given geographic territory’ (Gough, 2014: 28) - within its territory. Capital is by contrast global and has no national allegiance as it expands in search of profitable accumulation opportunities. Labour could in theory also sell its labour-power to capital anywhere it chooses, however, labour is generally more rooted to one place due to the bonds and networks of social reproduction which form around employment and the household. The ability of labour to move across national borders is also controlled and regulated by often oppressive nation-state. The manner in which capitalist accumulation has been processed through the national-state system has developed over time. In the post-war period from 1945-1971 the Bretton Woods system of international regulation meant capital was partially constrained by the state system. States developed regulatory systems which governed areas such as financial and labour markets, and which exerted a degree of control over the form which capital accumulation took in their territory. The collapse of the Bretton Woods system freed capital from the restrictions imposed upon it by states in the
intervening period and allowed it to engage in more internationalised forms of accumulation which disadvantaged nationally-bounded states. The unshackling of capital from national regulation allowed capital to engage in a form of arbitrage which pitted states into competition with one another for capitalist investment (Cerny, 1997). Related to this global-national contradiction are: the role of money, the international division of labour, the contradictions between production and realisation, the production and usage of space, and the contradictions of the local state, or contradictions of capitalist ‘scale’ (Gough, 2002; 2004).

4.3. The role of money and the state

Crises of capitalist overproduction are inherent to capitalism due to the favouring of exchange value over use value in production. To mitigate the effects of crises the consequences are often shifted on to the state and as a corollary labour. This can take many forms, such as a balance of payments crisis in which pressure is imposed by capital on states to ensure financial prudence so as to maintain market confidence and a sound credit rating. This aim is achieved through austerity policies, which transfer the costs of capitalist crises on to the poor, often through: suppression of wages (directly in the public sector, and indirectly in the private sector through National Minimum Wage (NMW) laws and in-work benefits), reductions in welfare spending, and punitive measures to coerce individuals into low-paid work (Grimshaw and Rubery, 2012; Charnock et al., 2014). Money ‘polices the effectiveness of the domestic exploitation of labour’ by individual states (Bonefeld, 1992) because states have to compete for capitalist investment. A central strategy for attracting investment is via the development of the labour force. States can deploy various strategies towards domestic (and non-domestic) labour and labour market regulation in order to try and maintain the position of
the state in the new international division of labour (NIDL) (Charnock et al., 2014). 19

4.4. The contradiction between production and realisation of capital

The contradiction between production and realisation stems from the circuit of capital accumulation, in which surplus value is created in the sphere of production, but translated into profit in the sphere of exchange. 20 Capital has a tendency to improve the conditions for either the production or realisation of surplus value. The period of 1945-71 generally favoured production and was therefore affected by crises of overproduction. The period since 1971 has been characterised by favouring the sphere of exchange (Harvey, 2014). Production (measured in terms of workers employed in the direct production of commodities in the UK and other OECD countries) has declined but profitable realisation has been maintained through a variety of strategies. These include: increasing demand by lowering wages but increasing aggregate numbers of workers (e.g. bringing more low-paid workers into the workforce), increasing luxury consumption and by expanding access to, and usage of, credit. The UK has pursued a strategy using all three of these mechanisms in recent decades (Baccaro and Pontusson, 2016) as successive governments have deregulated labour markets and financial markets. Labour market deregulation involved dismantling labour market institutions such as wage councils, and through a prolonged attack on the power of trade unions to organise workers. Financial deregulation in the UK began in the 1970s and expanded with the ‘Big Bang’ deregulation of the

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19 The NIDL is referred to as ‘new’ to distinguish it from the classical division of labour, which was between industrialised countries in the Global North, and resource-rich countries in the Global South which were usually colonies. Conventional accounts of New International Division of Labour refers to the process by which certain aspects of capitalist production, most notably labour-intensive manufacturing, are ‘outsourced’ by individual firms to parts of the world in which labour is cheaper.

20 Labour plays a role in both of these spheres; in the former as a generator of surplus value, in the latter as a consumer of produced commodities, and therefore a source of profits.
City of London in 1986 (Clemons and Weber, 1990; Bellringer & Michie, 2014). The increased power and mobility of money-capital which resulted from this deregulation led to the growth of financialised forms of accumulation, which have a tendency to appropriate surplus value from the circuit of capital accumulation rather than generate new value (Fine, 2013).

The contradiction between production and realisation is evident in state policy. British state policies of demand management and a commitment to male full-employment flourished when capitalist surplus was being absorbed but this policy framework collapsed due to crises of overproduction. It was replaced with neoliberal policies which sought to resolve the contradictory outcomes of overproduction in the sphere of realisation (Clarke, 1988b; Brenner et al., 2010a; 2010b). The decline of social democratic strategies since the 1970s has been a result of this shift. The aim of social democracy is to make capital – which is global in nature – develop a more national focus through internalising the costs of social reproduction. This internalisation can take the form of making capital pay towards pensions or a welfare state through taxation (Harvey, 2014: 190). Neoliberal governance seeks to transfer these costs of reproduction back on to labour, meaning that the wage received by the labourer is worth less and will have to go further. It may also mean workers are forced to access supplies of credit to engage in social reproduction, leading to indebtedness and acting as a source of profit for finance capital.

4.5. The contradiction of space and scale

Space is a problem for capital. Capital seeks to ‘annihilate space through time’ (Harvey, 1987: 60) in order to reduce turnover time and increase the rate at which
For Gough (2002; 2004; 2013), the capital-labour relation is fundamentally aspatial; it is a global relation that exists at all spatial scales. At an immediate level the relation between workplace, residence and labour can be understood as local, because: ‘markets [for] labour-power are strongly constituted at the local scale and these spatialities profoundly affect the wage relation’ (2004: 187). The relationship between space and labour is important for the state. In its attempts to attract capital and regulate labour the state engages in strategies of reterritorialization at different spatial scales, such as the supra-national (Harvey, 2014: 159). Through these processes the sovereignty and authority of the nation-state is altered and powers and responsibilities are ceded to new governmental organisations. This territorial ‘rescaling’ can occur both upwards and downwards (Gough, 2013; Swyngedouw, 2000; Moulaert et al., 2001). Attempts can be made to insulate the national state from political pressure by transferring sovereignty and responsibility upwards, or downwards - to local or regional governments (Swyngedouw, 2004). These notions of rescaling are helpful in understanding how the abstraction of the state operates at a more concrete, observable level in the form of local state strategies which are pursued by local state managers.

Jessop (2005) notes ‘there is no privileged scale…there are continuing struggles over which scale should become primary’ (2005: 13-15). There are pressures for control and autonomy emanating from the sub-national level in the UK, where

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21 Capitalist space can be conceptualised as absolute, relative, and relational (Harvey, 2006: 6-8). Absolute space is ‘fixed and measurable’, for example a given amount of land. Processes occurring in and through absolute space – such as ‘movement of goods and services’ - are relative, as they are not fixed in the rate, level, or intensity of their movements. Relations across space are relational, e.g. rent. Use value is understood by Harvey to be most closely connected to absolute space, whereas exchange value is relative, as it pertains to movement and circulation. Also important is the notion of the uneven geographical development of capitalism, and how this leads to differential outcomes for localities. As capitalist production is motivated by profit and not social need the development of capitalist urbanism is uncoordinated and unbalanced. As one contradiction of capitalism is its tendency towards overproduction and overaccumulation capital it is constantly searching for new sites to invest. This contradiction leads to speculative investment in the built environment and other parts of the economy which the state can become liable for as the state’s currency can devalue if investments become unprofitable, and the state’s citizens suffer the consequences of ‘capital flight’ (Harvey, 2014: 151). However, the blame for such failure is often placed on the victims, notably employees and their dependents as they were too ‘greedy’, ‘lazy’, or ‘militant’. (2014: 159).
there have been historical moments when local governments have sought to challenge and resist the authority of national governments, notably in the 1980s (Randall, 1995; Quilley, 2000). The repression of these acts of resistance has led to an outcome in which the UK has one of the most centralised, unitary forms of government of any OECD member-state. A corollary of this centralised power is that central government is able to use sub-national governments as a buttress against hostility towards unpopular policies, through processes which include the development of ‘depoliticised’ (Burnham, 2001), ‘arms-length’ (Diamond, 2015) governance. Existing research on the outcomes of strategies are explored in Chapter 2, and their current manifestation in Greater Manchester is examined in Chapter 5, when the relationship between young workers and the local state is examined. Sections 4.6 - 4.8 will now examine the concept of the local state in more detail.

4.6. The local state and local capitalisms

Cochrane (2016) argues the ‘local’ is often under-theorised in research on the state and capitalism. The local state is defined as any sub-national level of government authority which exists within a nation-state. In the UK, for example, the main form which this takes is ‘local government’ (Sandford, 2015). The local level is important as it is where the contradictory outcomes of capitalism are immediately experienced by labour. It is at the local level where the complex interaction of all capitalist processes immediately manifest, leading Gough (2014) to argue distinct ‘local capitalisms’ exist within a nation-state (Gough, 2014). Local capitalisms are shaped by the ‘internal relations within a territory’ which operate in and through a particular territory and include relations between: firms and their labour force, labour and social reproduction, firms (as producers and suppliers), firms and finance, all the relation between workers, employers,
and the state. Production processes and patterns shape a territory and lead to ‘territorial specialisations’ developing, which are a feature of local capitalisms, for example the growth of a The City of London as a financial centre, or the growth of the footloose business services sector in the North of England (Gough, 2002; 2004; 2014). These local capitalisms are significantly differentiated from one another to warrant specific study, and local labour market conditions can greatly vary depending on the specificities of the local capitalism.

4.7. Historical political economy of the local state in the UK

In the UK the local state has been affected by shifts in British political economy. In the 1960s the British state implemented ‘spatial Keynesian’ redistributive policies designed to aid underperforming economic regions (Martin & Sunley, 1997; Brenner, 2004). The decline of these policies was a result of the crises of capitalism which occurred in the early 1970s and which meant localities had to engage in ‘entrepreneurial urbanist’ strategies to secure private capital in order to fund local economic development (Harvey, 1989b). This reliance on private capital has caused local economic strategies to become competitive in the pursuit of capital investment and in order to secure funding bids (Cochrane et al., 1996; 2002), leading to uncertainty over funding which further empowers capital. Local councils can also experience sudden and unexpected cuts to their budgets as a result of central government cuts to local government funding (Lowdnes & Gardner, 2016). This fiscal and monetary insecurity means local councils have developed growth-orientated strategies which rely on the private sector. The worsening of economic conditions since the 2007 financial crisis – in particular the development of austerity policies – has led to claims that central government has ‘locked-in’ neoliberal measures at the local level (Peck, 2014).
4.8. The contradictions of the local state

The maintenance of the production-reproduction nexus and the type of local capitalism which develops in a locality depends in part on what strategies the local state adopts as it seeks to overcome the contradictions of capitalism. Gough (2004) identifies five contradictions which manifest specifically at the level of the local state. Firstly, the tension between promoting the flow of all capitals, and promoting new productive socialisations. Secondly, tension between capitalist cooperation with labour and disciplining of labour. Thirdly, between territorial specialisation and commensuration through value processes. Fourthly, between state action (that benefits production) and risk of politicisation (meaning the process by which labour exerts itself collectively). Fifthly, between the local state acting for capital-in-general and acting for individual capitals (2004: 203).

The strategies pursued by the local state as it attempts to mitigate these contradictions can be conceptualised as falling into one of two broad categories: neoliberal and social democratic. Neoliberal strategies promote the flow of all capitals and emphasise discipline over labour via enhanced mobility, spatial fragmentation and increased competition. In turn these strategies focus on the reduction and equalisation of factor costs and final prices and effectively use the national state to minimise regulation by the local state (Gough, 2004: 203). This approach subordinates the local state to individual capitals and capital in general by expanding the influence of value relations at the local level. In this strategy the local state must engage with capital and this has the potential to lead to the increased commodification and marketisation of society. In contrast to neoliberal strategies, social democratic strategies are characterised by the creation of socio-economic organisations designed to increase productivity through cooperation between labour and capital. The aim of this approach is to promote a qualitative
differentiation between local economies and increase the autonomy of the local state from capital to secure accumulation on a more independent political footing (Gough, 2004: 205). The local state can attempt to achieve this aim by promoting the growth of specific sectors of the local economy, or by encouraging the incorporation of other stakeholders – such as community groups and trade unions – in the governance of the local economy.

Summary

This Chapter has summarised four main areas. Section 1 examined the capital-labour relation and its centrality to understanding labour markets, and also the conditions of work and employment for young workers. Section 2 explored some of the processual contradictions of capitalism, and how they shape material outcomes. Section 3 detailed understandings of labour markets in existing research, highlighting the paucity of some explanations and the importance of understanding labour-power as a unique commodity which is shaped by value relations. Section 4 provided an account of both the state and the local state, and the significance of both for understanding local labour market outcomes. Chapter 2 will now examine existing empirical research on young workers, before presenting the methodology and research design of the thesis in Chapter 3.
Chapter 2: Local labour markets and young workers

This Chapter provides a critical overview of existing research on local labour markets and the factors which shape labour market outcomes for young workers. Section 1 explores extant studies of Greater Manchester’s labour market and labour market change for young workers, Section 2 looks at prevailing trends in research on young workers and young people in general, and Section 3 examines features of work in modern labour markets and employment relations.

1. Greater Manchester’s local labour market: studies, policies, and labour market change

Research which examines Greater Manchester’s local labour market can be grouped into one of two broad areas: research examining power relations by focusing on local state actors and local institutions, and research which examines shifts in the composition of the labour market.

1.1. Local state actors and local institutions

Research examining local state actors includes studies exploring the impact of Training and Enterprise Councils in shifting power over local labour market decisions away from local state actors and to local businesses in the private sector (Peck, 1996; 1998). Other research demonstrates how local business interests were able to exert power over Greater Manchester’s local labour market because of the decline in power of the local government actors relative to both the national
state and globally mobile capital (Tickell and Peck, 1995; 1996; Cochrane et al., 1996; 2002). Economic growth in Greater Manchester has become increasingly based on public-private partnerships meaning the county has become more sensitive to the interests of private capital due to ‘constraints [on local government] power from global and national levels’ (Blakeley, 2000: 181) which has continued due to the ‘unrivalled dominance in power’ of the Labour Party in Greater Manchester (Blakeley, 2010: 134). Blakeley’s research highlights the influence institutional actors have in shaping the specifics of labour market outcomes, therefore re-affirming the need to have a methodological approach which is able to articulate theoretical concepts and identify their operation at an empirical level (the methodological approach of this thesis is detailed in Chapter 3).

Dicken (2002) argues that Greater Manchester has shifted from being a ‘globaliser’ – the city was formerly one of the wealthiest cities in the world, measured in terms of exports – to being a ‘globalised’ city in the sense that it now subject to economic forces that are largely beyond its control (2002: 18). A limit to Dicken’s research is that ‘globalisation’ is understood as a neutral, external factor shaping Greater Manchester, rather than as a manifestation of more fundamental processes which are internal to capitalist accumulation (Clarke, 1992b; Radice, 2000). This limitation is a further reason why a rigorous, theoretically informed methodological approach is required. This approach is evident in work by Quilley (1999; 2000) which examines shifts in local economic strategies in Greater Manchester, from ‘municipal socialist’ strategies in the period 1960-1984, towards ‘entrepreneurial urbanism’ from the mid-1980s onwards. This research is useful as it locates labour market change at the level of political economy and explores how the development of neoliberal governance is expressed at the local level.
1.2. Shifts in labour market composition

Peck and Emmerich (1992) highlight how Greater Manchester’s labour market declined in the 1980s as a result of structural unemployment caused by the ‘decimation’ of the city’s manufacturing sector (1992:2). Greater Manchester experienced a period a marked decline throughout the post-war period which reached its nadir as deindustrialisation resulted in long-term unemployment rates of 47.6% for men and 29.8% for women in 1983 (1992: 29). Subsequent research highlights how these trends have continued and the problem of structural unemployment in Greater Manchester remains, despite economic growth in mid-to late-1990s (Giodano & Twomey, 2002). Giodano and Twomey provide an insight into perceived structural causes of labour market failures which situate Greater Manchester in the broader dynamics of political economy. One problem with this analysis is there is a lack of nuance regarding the alleged causes of deindustrialisation. Explanations such as ‘globalisation’ are not critically examined and are viewed as neutral and external phenomena. More recent research examines labour markets from the perspective of labour supply (Coutts et al., 2007; MCC, 2015), emphasising the impact of increased population growth across Greater Manchester due to domestic and international migration, in particular from EU member states (notably Poland and Spain). This strand of work stresses the need to consider the importance of ostensibly non-economic factors, such as long-term demographic changes in population and the impact they have on labour markets. However, such demographic changes ultimately relate to economic factors; migration is driven by economic imperatives as labour often moves where it is able to sell its labour-power. Coutts et al. (2007) also highlight that in the period 2000-2007 employment growth was faster in the Northern parts of the UK than the South because of growth in public sector employment, although there was also private sector growth in business and
financial services (albeit from lower base figures) (2007: 851-9). However, subsequent research (Talbot and Talbot, 2011) has shown that since 2010 investment in the public sector by national government has been substantially reduced and there have been significant public sector job cuts from 2010 onwards across the UK which has cancelled out public sector job creation in Greater Manchester in the previous decade.

1.3. Local economic strategies

Chapter 1 detailed how the local state is a site of contestation between capital and labour and where local state actors attempt different strategies to overcome the contradictory tendencies of capitalist accumulation. In the UK there has been a shift towards city-regions becoming the dominant subnational spatial scale for capital accumulation (Martin and Sunley, 1997). Brenner (2004) argues this has been the case since the 1970s onwards, suggesting that the aim of promoting cities as sites of competitive growth is not only to create ‘self-promoting islands of entrepreneurship’ but also to redefine national state’s role as a mediator of uneven geographical development. Brenner notes the increased structural power of capital vis-a-vis the state and labour since the 1970s and comments that ‘it is no longer capital that is to be moulded into geography of state space, but state space that is to be moulded into the geography of capital’ (2004:14-16).

Davies (2005) summarises the debates surrounding urban governance, positing that: ‘the literature on UK urban governance is dominated by two contrasting strands of thought. One strand of scholarship…emphasises horizontal transactions in the rise of autonomous, self-governing networks…a second strand…perceive[s] that far from disengaging, or empowering other actors, the national state is actually augmenting its power over local politics’ (2005:331).
Davies goes on to highlight two themes – one focusing in a neutral and technocratic sense on institutions of urban governance, and another highlighting the continued importance of the national state. These are both important themes but they are both insufficient to understand the composition of the local state. There has been a growth of networks in local governance but these must be situated within existing power dynamics within and across cities which are ultimately reducible to the relationship between capital and labour. Similarly, the role of the central state is important but focusing exclusively on it can lead to statist, functionalist outcomes. These criticisms highlight the necessity of relating empirical phenomena to processes occurring at higher level of abstraction.

Harvey’s (2006) research is useful in theorising how the local state operates in terms of local economic strategy. Harvey identifies certain features of neoliberal governance which exist at the local level, notably rule by ‘executive order’ and ‘rule by organisations outside democratic influence or accountability’ (Harvey, 2006: 27). The former refers to the tendency for the power of the executive branch of government to be increased relative to other branches, whereas the latter refers to the increased power and role of bodies which are not immediately accountable to elected officials, or are completely unaccountable to the electorate. Harvey also identifies an increase in public-private partnerships at the local level, which have the aim of increasing capital accumulation (2006).
1.4. Policy interventions towards young workers

Policy interventions towards young workers can manifest in various forms, and can be national or local in origin. Aspects of policy interventions which existed in labour markets in the 1980s are still evident in the contemporary period. The Youth Training Scheme (YTS) – which pushed young people into low-paid jobs by re-branding young unemployed workers as ‘trainees’ so they could be paid less (Finn, 1987) - was driven by an ‘employer-led philosophy’ which was based on needing a regular supply of low-waged labour for capital accumulation in the growing service sector employment. This point is emphasised by the ‘clients’ of the YTS being employers, not young workers. (Peck, 1990:19). The development of the YTS and subsequent labour market interventions in skills and training provision demonstrate the increased control wielded by the private sector in labour markets, as well as the expansion of processes of marketisation of training services (Peck, 1998). In many instances of YTS and TEC roll-out local governments actively worked with the private sector and side-lined social considerations, such as those from trade unions and civil society groups. The tendency of the state to favour the interests of private capital is a hallmark of neoliberal labour market interventions and continues to be prevalent in local labour market initiatives as empirical research into Greater Manchester in the 1990s revealed (Peck, 1990:24).

Research by Helms & Cumbers (2006) examined the way in which most labour market policies have the limited focus of ‘getting people into jobs’ which ignores broader problems of social reproduction and the changing relationship between labour and the state, as the ‘removal of a universal right to welfare and its coupling with paid work obligations devalues other roles in the process of social reproduction’ (2006: 71). This shift is part of a broader policy discourse in which young workers are blamed for having insufficient training or for being
unemployed, rather than blaming employers who have cut training budgets and employment opportunities, or blaming the state itself which has failed in its role to secure stable conditions of social reproduction through paid employment (2006: 78). An outcome of this is that young people are churned through labour markets rather than being offered meaningful training, skills development or employment. (2006: 79).

1.5. Labour market change for young workers

This section looks at how young workers are affected by labour market change. Labour market change can include: shifts in the sectoral composition of labour markets, in the occupational composition of labour markets, in the labour process, in the levels and the forms of remuneration received for work, and in state regulation of labour markets. Within these separate areas there is a wide range of research, such as research on: deindustrialisation (Martin & Rowthorn, 1987), the growth of the ‘service sector’\(^\text{22}\) (Poynter, 2001; Raa & Schettkat, 2001; Korczynski; 2002 Schettkat & Yocarini, 2006), the emergence of a so-called ‘new economy’ (Teece, 1998; Nickson et al., 2003), the ‘knowledge economy’ (Adler, 2001) and the ‘digital economy’ (Peitz & Waldfogel, 2012).

1.6. ‘Old’ and ‘new’ labour markets

There is a recurrent claim in research examining work and employment which suggests there has been the emergence of a distinctively “new” type of economy which has displaced an “old” economy characterised by export-led

\(^{22}\) As Poynter (2000) notes, the term “service sector” is a problematic one, and is often used contradictorily to refer to a wide array of employment which straddles productive and un-productive sectors of the economy. The term “service sector” is used in this research in a broad sense to indicate the shift which has taken place in the UK, in which the majority of the economy is no longer based on the production of material commodities which can be easily exported. In its place is an economy based on the production of services, which cannot be as easily exported or traded.
manufacturing, high levels of trade union membership, and Fordist production processes (Clarke, 1990; Amin, 1994). There is a tendency in some academic research on the ‘new economy’ to unproblematically assume: forces such as globalisation are natural and inevitable (Swyngedouw, 2004; Slaughter, 2017), technological change is inherently progressive and will lead to automation (Rifkin, 1996; Leadbetter, 2000) and that supposedly non-standard forms of employment contract such self-employment and ‘portfolio careers’, are becoming the norm (IPPR, 2015).

Criticisms of this type of argument are presented by Nolan (2004) who states that claims ‘about the increased role of globalisation should also be treated with scepticism’ and that ‘identifying globalisation as cause is an appeal to an abstract force to explain changes in markets and employers…[it is] like Jevons’ appeal to sun spots and Keynes’ appeal to animal spirits to explain sudden shifts in capital available to support employment’ (2004: 382). Similarly, existing research has revealed employment in non-standard forms of employment, though increasing slightly in recent years, has remained relatively constant over the last four decades (McGovern et al., 2007: 51). This constancy is in spite of the growth of ‘gig economy’ employment facilitated through use of digital platforms and usually on a short-term basis. Recent research highlights the gig economy employed 4.4% of the British population in 2017, or 2.8 million people. However, 41% those employed in the gig economy reported the income they earned from it was ‘not very important’, or ‘not important at all’ (BEIS, 2018).

Criticisms of the ‘new economy’ are important because successive UK governments have embraced such ideas. New Labour’s time in power was characterised by active support for the ‘knowledge economy’ and an understanding of globalisation as an unstoppable force. This stance had major implications for skills, training, welfare provision, and other policies which continue to impact on labour markets (Giddens, 2001; 2002; for a critique see
Successive governments have continued to hold an understanding of political economy which sees states as ultimately powerless in the face of systemic global change, leading to policy outcomes which view any individual or group which is unwilling or unable to prosper in these new circumstances as in need of interventions. This argument is substantiated by Sukarieh and Tannock (2014) who argue attempts in the UK to develop labour market policy which promoted a ‘knowledge economy’ led to state institutions adopting the stance that anyone who was unable to secure ‘knowledge-based work’ did not deserve high levels of pay; a category which included many young workers (2014: 116-8). Keep (2012) notes that an optimistic belief in the emergence of a ‘knowledge driven economy’ has begun to fade as policy ideas surrounding it have been revealed to be ‘illusions’ (2012:4). Keep also notes that although some sectors are of the British economy can be seen as ‘knowledge driven’ 22% of the British workforce are in low paid work, rising to 33% of the female workforce’ (2014: 6).

Research which challenges and critiques optimistic notions of a ‘new economy’ are important, as they stress the continued importance of the so-called ‘mundane economy’ (Folkman et al., 2017) in which the majority of people are employed. The ‘mundane economy’ is a descriptive term is used to refer to work characterised by low-pay, low levels of training and skills utilisation, and a lack of opportunities for career progression. The majority of young workers are in this so-called ‘mundane economy’ in Greater Manchester, hence the importance of bringing it to the fore.
1.7. Power, technological change and labour markets

One explanation of labour market change is the ‘skills-biased technological change’ hypothesis (SBTC) (Griliches, 1969; Autor, Levy & Murnane, 2003; Goos & Manning, 2007) which stipulates:

‘Computer technology substitutes for workers in performing routine tasks that can be readily described with programmed rules, while complementing workers in executing non-routine tasks demanding flexibility, creativity, generalized problem-solving capabilities, and complex communications. As the price of computer capital fell precipitously in recent decades, these two mechanisms—substitution and complementarity—have raised relative demand for workers who hold a comparative advantage in non-routine tasks, typically college educated workers’. (2003: 1322).

SBTC suggests automation can lead to the decline of routine manual and routine cognitive jobs in the middle of labour markets, leaving ‘complex cognitive non-manual jobs’ - which use new technologies and generate high levels of productivity increases - and ‘non-routine manual jobs’ at the low end of the labour markets. This change will lead to a polarised, ‘hour-glass’ labour market (Anderson, 2009). The ‘hourglass economy’ model is advanced by research which notes the continued growth of non-routine manual occupations at the lower end of the occupational distribution which cannot be easily automated (Nolan, 2004; 2012; Nolan and Slater, 2010). Growth of jobs at the lower-end of the labour market challenges the simple claim that technological automation will lead to a future of mass unemployment.

Krugman (2015) demonstrates the paucity of the SBTC approach by noting that ‘[from the late 1990s] the skill gap stopped growing at the bottom of [labour

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23 The growth of such occupations, along with other factors, is contributing to a ‘pear shaped’ labour market in the UK ‘propped up by millions of low-status manual and non-manual jobs.’ (Nolan and Slater, 2010: 7)
markets]: real wages of workers near the middle stopped outpacing those near the bottom, and even began to fall a bit behind…. [meanwhile, incomes at the very top…continued to soar’ (Krugman, 2015).  Krugman argues that it is important to focus not on skills and technology, but on ‘market power’ and ‘countervailing power’ (such as that of trade unions) in order to understand how labour markets operate.

Power relations in labour markets are important, but these must be conceptualised as being class-based relations, in which the value of labour-power is central (Marx, 19867 [1992]; Fine, 1998).  Value theory can provide a theoretical basis for research on labour markets, though it is necessary to undertake rigorous empirical work to understand how such abstract concepts unfold because it is not possible to isolate a single explanatory factor and use it to try and analyse or predict labour market change (Fine, 1998; Clarke, 1999).

2. Young workers: prevailing explanations of young people

Section 2 examines three common approaches to understanding young workers in existing research: “essential youthfulness” explanations, inter-generational explanations, and explanations focusing on youth transitions.

2.1. “Essential youthfulness” accounts of young workers

One tendency evident in some youth studies research is a fixation on what this research terms the “essential youthfulness” of young workers; this refers to research which relies on appeals to arbitrary factors such as biology or intergenerational differences when seeking to explain the material conditions of
young people. This tendency is evident in the theory of ‘emerging adulthood’ developed by Arnett (2000; 2001), which argues young workers only develop the characteristics needed to be successful in labour markets after a period of adolescence in which they ‘emerge’ into adulthood. The implications of Arnett’s approach are that there is something essentially different about youth which means it ought to be understood as being different from adulthood. The ‘emerging adulthood’ approach is critiqued by Côté (2014a), who argues it is methodologically unclear, and is used variously as a description of an age period, and an explanation of why an age period has the characteristics that it does. Emerging adulthood theory is also largely silent about concepts such as social class (2014b). A potential consequence of the ‘emerging adulthood’ approach is that it can be used to justify the worsened conditions of youth; for example, if youth are viewed as unpredictable and unreliable, labour market legislation which discriminates against them may go unchallenged.

2.2. Generational approaches

A related strand of youth studies research focuses on the impact of generational differences when exploring material conditions of young people. ‘Social generations’ approaches focus on generational differences, in particular inter-generational conflict, as the primary axis of analysis (Wynn & Woodman, 2006). Although this approach does take into account material differences between groups, an argument is made that the most important material difference is that between different generations. As France and Roberts (2015) note ‘generation’ does not refer simplistically to age, but to the shared ‘collective identities’ of cohorts (2015: 217), such as ‘Baby Boomers’ (those born between 1946 and 1964) and ‘Generation Ys’ or ‘Millennials’ (those born between 1980 and 2000).
Green (2017) notes how factors such as pensions and housing markets in the UK have exacerbated intergenerational inequality; the former because of the decline in final-salary and defined benefit pensions schemes (2017: 84), and the latter because of how growth in the value of housing in the 2000s led to a ‘wealth transfer of historic proportions’ from potential future homeowners to current homeowners (2017: 16).

Generational explanations are limited for three reasons: they downplay heterogeneity within generations and present cohorts as being unified, they have a tendency to explain inter-generational differences as resulting from deliberate actions of a particular age cohort in such a way that downplays the significance of structural factors which may cause inter-generational inequality and conflict, and they fail to adequately explain how inter-generational inequality is related to inequalities resulting from employment relations. The limits of generational understandings are illustrated by a multi-country study of young workers conducted by Reinecke and Grimshaw (2015). Their research highlights that ‘the gap between poor youth and rich youth is more important than the average gap between youth and adults’; in the countries which were studied (Brazil, Argentina, Chile, Mexico and Peru) youth unemployment was 19% more prevalent, and NEET status 22% more prevalent amongst the bottom quintile than the top quintile of the youth populations. These differentials highlight the importance of class divisions within youth cohorts and indicate that focusing exclusively on inter-generational differences is by itself insufficient when seeking to explain the conditions of young people (2015: 370).

France and Roberts (2015) offer a concise critical summary of generational explanations, stating that:

‘[The] macro-processes young people are encountering…are not a “generational effect” but a continuation of a process that emerged with industrial
capitalism back in the eighteenth century and involves both social change and the maintenance of the status quo, especially around class and gender relationships. [More relevant are] how ‘market forces’ and government policies are contributing to creating an ecological environment that encourages and fosters the development of the ‘neo-liberal’ subject, who is required to live their life through market relationships alone...’ (2015: 227).

In short, this comment highlights the importance of situating generational differences within changing processes of political economy, in particular the relation between capital and labour, and the behaviour of the state.

2.3. Youth transitions

Youth transitions research examines the transition of young people from education into employment (MacDonald et al., 2001). Various youth transition studies have highlighted how the number of young people leaving education aged sixteen and entering directly into full-time work has diminished over time. McDowell (2002) notes that in the ‘mid-1970s two-thirds of teenagers went straight into employment at age 16, at the end of the 1990s less than one in ten 16 year-olds looked for work as they completed compulsory schooling’ (2002: 42). A dominant theme is how transitions into employment for young people have become ‘fragmented’ (Walther, 2006), or ‘extended’ (MacDonald et al., 2005), with periods of intermittent unemployment becoming more common and the potential of a ‘linear transition’ from education to employment becoming less assured for young people (Wynn & Dwyer, 199; Furlong et al., 2003).

Goodwin and O’Connor (2005) offer a nuanced view, suggesting there was never a ‘golden age’ of youth transitions and that transitions have always been complex
in the sense that young people experience difficulty finding jobs, and change jobs frequently in their early working lives (2005: 2). France and Roberts (2014) support this point, purporting that the only reason why youth transitions are now viewed as problematic is because they are increasingly challenging for middle class young people, whereas prior to the 1970s middle class youth benefitted from a buoyant UK economy with high levels of (male) employment (Pollock, 1997).

However, research suggesting similarity across decades must be reconciled with research demonstrating how shifts in prevailing economic conditions affect youth differently in different decades. In the period of the alleged ‘Golden Age’ of capitalism from the early 1950s to the mid-1970s (Hobsbawm, 1995) young people moved jobs frequently because there were many vacancies available and they could ‘experiment and exercise freedom’, although ‘job-changing was within boundaries’ in the sense that young people did not move up or down job occupational hierarchies in these transitions, but rather moved between different jobs within a relatively narrow occupational range (Roberts, 2009: 357). The economic foundations of the post-war period were however better for young people in terms of the availability of employment with clearly defined entry points for young people (Ashton et al, 1990). Youth unemployment was on average lower between 1945-1971 than it has been post-1971 (Denman & MacDonald, 1996).

Crisp and Powell (2006) note youth transitions research is insightful as it expands debates surrounding material conditions of youth which are otherwise ‘dominated by behavioural economics and labour market studies…[it does this by] by acknowledging the importance of longer-term social change and its impact on the youth segment.’ (2006: 4). This point is in reference to the range of transitions literature which attempts to explain the choices made by young people by situating them within prevailing economic conditions, and in doing so question how much agency young people have in labour markets. Roberts and Parsell
(1988), for example, state that ‘choice models of work entry were submerged by rising youth unemployment in the 1970s’ (1988: 3). Similarly, Jones and Wallace (1992) argue that ‘choice is not free, but is forced upon young people by the changing structures within which they find themselves…[young people] have less choice than in previous decades when there were more jobs.’ (1992: 45-46).

Debates around youth transitions raise broader questions of factors affecting the relationship between young people and labour markets. Raffe’s (1985) research identified how youth were affected by cyclical downturns in economies. Raffe argued economic change affects all workers but young are usually hit hardest due to their perceived expendability and employers not wanting to take on young workers in recessions as they are perceived as inexperienced (Raffe, 1985). Ashton et al.’s (1990) research identified structural economic change as a major factor impacting youth conditions, as well as drawing attention to the way in which certain areas of labour markets were shut off to young workers, meaning young workers cluster in certain sectors which offer ‘sheltered’ jobs opportunities. Ashton et al. argued that these sectors in which sheltered jobs existed were in decline, such as manufacturing. Simms’ (Simms et al., 2001; Simms, 2015) research highlights changes to labour markets for young workers are both severe and structural. Whilst noting young workers have been ‘hit hardest [and] scarred longest’ (Simms, 2011) by the recession of 2007 and its aftermath, Simms also notes that ‘youth unemployment and precarious work are not just cyclical problems…there is good evidence that there are increasing structural problems within labour markets that make it harder for young workers to make transitions into good quality work’ (Simms, 2015:11).

\[24\]These include, but are not limited to: the increasing cost of securing relevant qualifications, poor services to help young people understand the labour market and what qualifications and competencies are required to secure good quality employment, public sector jobs cuts in some regions where private sector employment is limited, and the reduced effectiveness of trade unions and other collective regulation of labour markets (Simms, 2015).
There are a variety of explanations of youth labour market conditions which focus on ‘supply-side’ factors, in contrast to cyclical or structural explanations. Supply-side explanations identify unemployment, under-employment and low quality work as being a result of workers being ill-equipped for contemporary labour markets (Gregg and Manning, 1997; Blanchflower, 1999a; Blanchflower & Freeman, 2007). According to this strand of analysis un- or under-employed young people do not possess the necessary skills, traits or tendencies required for work and employment. Resultantly they experience poor labour market outcomes because increasing numbers of jobs require high levels of skills or qualifications, due to the apparent incorporation of new technologies. Solow’s (2008) argument that workers occupy low-waged jobs because they lack ‘firm-specific human capital’ (2008:8) and are easily replaceable is an example of this type of explanation. Research on young workers and skills is covered in more detail in Section 3.1 of this chapter.

Labour market changes have led researchers such as MacDonald (2009) to question whether a separate ‘youth labour market’ exists at all. MacDonald locates the position of young people in labour markets in relation to class-relations and wider socio-economic processes, arguing that: ‘[youth jobs are] not indicative of a separate youth labour market but a secondary labour market marked by the poorest conditions of work and pervasive unemployment and underemployment, to which many working class people are now confined, regardless of age.’ (2009: 171). Although there are weaknesses to the theory of secondary labour markets (Fine, 1998) MacDonald’s approach is useful as it connects the conditions of young workers with all-age workers. Further research by MacDonald (2011) has highlighted the way in which youth transitions in the contemporary era have many similarities to decades ago, and fulfil similar roles in maintaining social reproduction under capitalism (MacDonald, 2011). MacDonald’s work highlights the need for greater clarity in what is meant by
young people, youth jobs, working and middle class, and the relations between these concepts.

Research on youth transitions has been criticised from various perspectives. Keep (2012) suggests much of the literature is ‘of limited use to a broader audience as it is: too nationally specific; individualistic in its analysis of schemes and programmes, many of which are small-scale; quantitative, in that it describes trends and outcomes without being able to fully explain what generates them, and; is often written from an educational rather than a labour market or employment perspective’ (2012: 5-6). Keep’s criticisms highlight the need to situate the conditions of young workers within wider economic conditions in order to adequately explain them properly.

One theme which is common in the youth studies literature is the lack of a clearly articulated theoretical position regarding young people and where they are situated in relation to more fundamental social processes within capitalist society. Research which attempts to provide such an account are often non-systematic in their approach and as such can be conceived of as being mid-level theory, which can lead to ad-hoc explanations in the case of subsequent empirical developments (Fine, 1998). This theoretical weakness has been noted by academics who have made calls for a ‘political economy of youth’ to be developed (Côté, 2014b; France and Threadgold, 2016; Sukarieh and Tannock, 2016). There is however a risk of these theoretical approaches replicating the essentialising of youth with some ideas or concepts from political economy being applied in a non-systematic manner. Some research has called for young people to be understood by focusing on their status as workers (Tannock, 2001) and for analysis to have sensitivity to the global nature of the pressures facing young workers. Other research calls for attention to be given to how problems facing youth – such as structural unemployment – can be used by elites as justification for economic restructuring which is detrimental to all age cohorts (Sukarieh and Tannock, 2014). These
approaches stress the need to locate young workers in broader social processes. This thesis would add that it is necessary to develop a political economy of youth in which the conditions experienced by young workers are explained by drawing on Marxist concepts.

3. Work, employment, and the labour process for young workers

Section 2 detailed the various approaches to young people in the literature, and ended by emphasising the need to conceive of young people as workers in order to understand the material conditions. Section 3 explores research which contributes to this aim by examining the dynamics of the workplace, employment relations, and the intricacies of the labour process (Thompson and Smith, 2000; 2010). Streeck (2009) emphasises the importance of situating research on work and employment relations within a critical understanding of capitalism, stressing the ‘need [for] systemic rather than sectoral approach[es] to institutions and social order, one that is historical rather than functionalist, dynamic and processual rather than static...[there is the need to analyse industrial relations]…not from the individualised perspective of individual businesses, but for the more systemic perspective of capital-labour relations, as expressed in industrial relations’ (2009: 19). A similar point is made by Coates (2014) who suggests industrial relations are not simply ‘a dimension of modern work processes in some technocratically-defined vision of the new industrial order. Industrial relations are the core battleground in the clash between capital and labour at the very heart of the value-creating process that gives capitalism its profits, its dynamism and its inexorable requirement to expand’ (Coates, 2014: 26). These points illuminate the need to engage in research which connects the behaviour of labour market actors with processes of political economy.
3.1. Business strategies of employers

Business strategies refer to the activities employers engage in as they seek to generate profits in capitalist markets. Resultantly, employer strategies can encompass a wide variety of areas, including product design and development, marketing and sales, operations, finance, and workforce (or human resource) management. The focus of this thesis is the work and employment conditions of young workers and how these are affected by – among other things – the actions of local employers in Greater Manchester. Decisions regarding finance, sales, and product development can and do, affect working conditions. However, to examine all these different aspects of a business equally is beyond the scope of this research. Accordingly, this thesis focuses on business strategies as they relate to the management of employees, and the differing utilisations of labour-power by employers. This focus on the purchase, control, and deployment of labour-power by individual capitalists does not imply that the thesis has a narrow, HR-based approach to business strategies. Rather, the thesis seeks to foreground the central role which labour-power has in the generation of profit by individual capitals, and how different employers use labour-power differentially. At the same time, the thesis contains an awareness that the usage of labour-power in production – and the differing managerial strategies which are adopted – are but one aspect of the larger circuit of capitalism discussed in Chapter 1.

There is wide array of existing research which examines business strategies. Chandler (1962) identified business ‘strateg[ies]’ as being that which shapes and determines the ‘long-term goals and objectives of an enterprise…and the allocation of resources necessary for carrying out those goals’ (1962: 11-13). Littler and Salaman (1982) define business strategies of employers as ‘purposiveness on the part of management [and] self-conscious deliberation’ (1982: 59-60). There are a variety of broadly orthodox conceptualisations of how
employers operate within capitalism. Some theories of strategic management focus on the composition of employers, for example resource-based views of firms (Wernerfelt, 1984; Newbert, 2007) or theories which focus especially on managerial prerogative (Noble, 1999a; 1999b) or factors external to businesses (Guohui, & Eppler, 2008) when seeking to explain differing employer strategies. The limitations of these differing conceptions of employer strategies are they that fundamentally assume that employers have coherent strategies which they seek to pursue. Moreover, many orthodox theories are based on unsubstantiated a priori claims – such as that society is made up of rational, utility maximising agents who engage in markets which are capable of reaching equilibrium (Frey & Eichenberger, 1997; Fine, 1998). Among orthodox theories there is a lack of critical, structural analysis; capitalism as a global system is generally not considered. Resultantly, orthodox approaches to business strategies are largely unhelpful for probing the complex relationships between workers and other social actors in capitalist labour markets.

In the UK there have been several waves of research which have examined employment relations and their relationship to managerial strategies. Research by the ‘Oxford School’ – such as the 1968 Donovan Report – argued that, in order to understand the major “problems” of British industry at the time (such as unofficial strikes and wage drift) it was necessary to investigate the actions of individual companies and behaviour at the workplace level (Brown, 1987). Later research on employment relations by the ‘Warwick School’ focused explicitly on the actions of management, specifically how they shaped the actions and politics of organised labour, and the resultant workplace outcomes for workers (Clegg, 1976; Hyman, 1987). The declining power of trade unions in the West – and the UK in particular – since the 1980s was complimented by the emergence of theories of human resource management (HRM) as a way of understanding and shaping the employment relationship in workplaces (Stredwick, 2013; Heffernan
Thompson (2011) succinctly illustrates the limitations of HRM research by stressing how HR practices are shaped more by prevailing conditions of political economy – in particular the increase power of finance capital - more than by workplace cultures or other ephemeral notions. Thompson’s work is useful as it highlights the need to connect business strategies, employment relations, and political economy in a holistic manner in order to understand workplace outcomes.

Bryman (1987) explores the managerial strategy from a Marxist perspective, noting that industrial relations and employment conditions are above all conditioned by capital, but that existing literature on business strategy up to that point had ignored issues of power and control in the labour process (1987:27-32). Bryman raises the theoretical problem that, if all capitalist firms are subject the law of value and the tendency towards concentration and centralisation of capital, how can there be significantly different employer strategies? (1987: 28-9). Bryman reconciles this apparent problem by drawing on the Marxist concept of contradiction, and stating that it is impossible for a particular capitalist firm to ‘harmon[ise] the different functions of capital…[and that]…there is no “one best way” of managing these contradictions, only different routes to partial failure. It is on this basis that managerial strategy can be best conceptualised: as the pragmatic choice among alternatives, none of which can prove satisfactory’ (1987: 29-30). Earlier research has highlighted that employers do not always possess a coherent, unified strategy, and often respond the problems in an ad-hoc manner (Chandler, 1962). It is to some extent overly complementary to managers to suggest that they have ‘impossible amounts of knowledge, cunning and foresight’ (Nolan and Edwards, 1984:214) or that they engage in coherent, rational management practices (Marsden, 1985: 35). This thesis make use of the phrase ‘business strategy’ to refer to the ways in which employers use labour-power, whilst being aware the such strategies are often incomplete, partial,
contradictory, or almost entirely absent. The term business strategy is also used with an awareness that capitalist production is, as Hyman notes, ‘at one and the same time a co-operative and a conflictual activity’ in which various strata of labourers – from managers downwards – work together on projects, while at the same time being in tension over the nature of such work and the distribution of outcomes (Hyman, 1984: 185).

The inherently limited nature of employer strategies as a result of capitalist contradictions helps to explain why employers adopt different strategies, and why different employers exist alongside one another in the same local labour market. Research by Erdem and Glynn (2001), for example, connects low wages and employer strategies through an examination of employment growth in the service sector. They note how business strategies pursued by service sector employers have a tendency to act as a sponge which soaks up cheap labour. This processes as low wages facilitate high levels of recruitment, thereby increasing the numbers of workers who are in low-paid employment (2001:45-67). Existing research has illustrated there to be a preponderance of this business strategy among service sector employers in Greater Manchester (Folkman et al., 2016; New Economy, 2016c). Keep (2000) examines how ‘low road’ business strategies can develop through a lack of investment in research and development by employers, which limits the development of high-skill, high value-added strategies.

The ‘low-road’, low value-added model which exists across the service sector contrasts with business strategies which are predicated on the production of high-value added commodities, such as exists in advanced engineering firms (Kay, 1995). Firms which have high value-added business strategies can potentially offer greater opportunities for young workers as there are opportunities for ‘quality jobs’ to be created which have: high levels of skills utilisation, training provision, high levels of personal discretion and high levels of pay and job satisfaction (Green, 2006; Dahl et al., 2009). Chapter 6 of this thesis specifically
examines the differing business strategies of employers, focusing on how they use the labour-power of young (and all-age) workers in order to generate and realise profits and how this process is characterised by with contradiction and conflict between employer and workforce.

3.2. Recruitment, skills, training and career progression for young workers

Research exists which indicates how employers inflate the qualifications required by job applicants in a process known as ‘credentialism’ (UKCES, 2012: 6). Credentialism has led to increases in the numbers of graduates in non-graduate occupations and resulted in graduates occupying jobs which individuals with non-graduate qualifications would be able to do. Credentialism therefore diminishes employment opportunities for non-graduates. The CIPD reports 60% of graduates are in non-graduate occupations, and the UK has a graduate under-utilisation rate of 38-42% (2015a; 2015b). The CIPD also reports evidence of a ‘graduate wage premium’ and evidence of ‘occupational filtering down’ as graduates do jobs done previously by non-graduate parents (CIPD, 2015a; 2015b). Research by London Economics (2011) offers some clarity to ideas of a graduate wage premium, noting the financial returns to some degrees (depending on the student’s gender, the course, the institution and the classification of the degree) are now nil (London Economics 2011).

Keep (2012) notes that ‘rising skill (qualification) levels of young workers are not feeding through over time into underlying gross value added or productivity rates’ demonstrating the limits of the ‘political economy of skill’ (2012: 1). Lloyd and Payne (2001) note that the policy agenda of skills development was promoted as a panacea to sluggish labour market performance, while Nunn (2010; 2012) details how skills policies were pursued by elites as a a path to increasing the
competitiveness of British-based capitals. Research by Lloyd and Payne (2016) is insightful as it explicitly connects developments in labour markets to processes occurring at the level of political economy. Their research highlights that increased skills do not necessarily lead to employers increasing their market position; some may be ‘perfectly profitable competing as they are through a cost-minimisation strategy or “low road” approach, with a low-skilled, low-waged workforce’ (2016: 33).

Over-qualification and underemployment in youth labour markets is mirrored by the number of ‘jobs without training’ for young workers entering employment (Maguire, 2010; Roberts, 2011). The number of jobs without training is in part due to the fact that ‘low-paid work has fewer incentives for training and therefore fewer opportunities for it. Vocational qualifications in the UK are low-level, and have little labour value.’ (Keep, 2012). As research by UKCES (2011a) states: ‘the proportion of employees receiving work-related training is on the decline, and while young people still receive more training than other age groups, the number receiving training is declining faster. Young people are also twice as likely to be employed on temporary contracts. Decreasing relative earnings combine with all of this to suggest that job quality is deteriorating for young people’. (UKCES, 2011a: 4).

Marsden’s (2010) research demonstrates the increase in ‘entry tournaments’ for young workers in UK labour markets. Entry tournaments are the process by which candidates must openly compete for jobs in a particular sector or firm because institutions which regulate entry no longer exist, or have never existed (Marsden, 2010: 1). This increase is seen as being the result of the ‘decline of institutionalised occupational labour markets in Britain’ (2010:1). Marsden states that, until the 1980s, labour markets in the UK were characterised by the existence of internal labour markets (ILMs) within large firms, or occupational labour markets (OLMs) for clearly defined occupations in the professions and skilled
trades. In recent decades there has been a decline in the number of large firms in the UK, leading to a fragmentation of ILMs. The lack of ILMs and OLMs mean there are fewer opportunities for training and entry level recruitment, and that ‘employers cannot plan [for medium to long term workforce development] to same extent’ (2010). Additionally, OLMs in new sectors which have developed are characterised by low levels of ‘organisational and institutional regulation’ (2010: 8). The research of McGovern et al. (2007) offers a more nuanced view, stating that ILMs in the UK have historically only been for managerial and professional jobs and have been less common amongst low-level jobs. However, McGovern et al. go on to note that historically there were opportunities for progressions from lower-level manual and routine occupations into managerial and professional jobs, in part due to the existence of trade unions. This feature of labour markets is seen to have declined in contemporary labour markets (2007: 21-2). It is this latter point which McGovern et al. stress in the conclusion of their research, noting that the idea labour markets have become entirely marketised and employees totally disciplined by market forces is over-stated. In reality labour markets are more complex although there is clear evidence of increasing class differences in terms of occupations and wages, in part because trade unions historically acted to reduce wage differentials (2007: 283).

The notion of ‘employability’ is related to issues of over-qualification, under-employment, and changes in labour markets (Finn, 2000; Sukarieh and Tannock, 2008; Moore, 2010; Sunley et al., 2011). Employability refers to strategies and tactics to make individuals more employable. In recent decades there has been a shift towards education – in particular higher education – offering a greater focus on ‘soft’ and ‘transferable’ skills to increase employability in labour markets. Part of the justification for this shift is that young workers need to be able to quickly adapt in labour markets where change occurs rapidly and where which learned skills can quickly become redundant. Employability can be understood
as part of a wider neoliberal discourse of reconstituting the subjectivity of labour in order to increase discipline and profitability (Moore, 2010). However, research by UKCES shows lack of skills is not the problem it is made out to be, and most young people are prepared for the world of work (UKCES, 2012b). One problem which can exist in labour markets is a lack of workplace experience and an absence of job-specific skills. These can only be developed if young workers are employed and provided with on-the-job training. It is therefore possible to view the problem of under-skilling and low productivity as being the result of employers trying to externalise costs, rather than being the result of young workers themselves. Issues of recruitment and on-the-job training are explored in more detail in Chapter 6.

3.2. The labour process, working conditions, and wages

There is a wide array of literature which examines the specificities of the labour process and the employment relations for workers. This literature includes research on: wages and low-paying work; recruitment practices; intensification of work; non-standard working practices, including flexible work and related issues of job insecurity. These research areas are relevant when studying young workers as they are often employed in low-paid work which is characterised by an intensified labour process and which is often insecure or precarious.

Young workers are more likely to be found in low-paid work than all-age workers. Between 1995-2005 incidences of low-pay amongst 16-24 year olds increased by 2.8%, contrasted with a fall of 1.8% amongst the total population (in Mason et al., 2008b:45). In 2001 16% of adult workers in the UK were in low-paid employment, whereas for young workers it was 40% (Grimshaw, 2011). More recent research has shown these conditions to have worsened. As of 2016
21% of all-age workers in the UK are in low-paid employment; the figure is 40% for workers aged 21-25 and 77% for workers aged 16-20 (Clarke & D’Arcy, 2016: 20).

Drawing on Blanchflower and Freeman’s (1999) ‘youth wage discount’ concept (the level of youth pay relative to all-age pay) Grimshaw (2014) uses OECD data to show that in UK the youth wage discount is around 60% for 20-24 year olds, which is below OECD average of 63%. Grimshaw (2014) highlights that relative pay has declined despite a declining rate at which young people entered the labour market over since the 1980s. The size of the youth wage discount means that young people are likely to be in low paid jobs. Grimshaw (2014) also finds that the behaviour of ‘youth labour markets’ do not conform to economic models. Labour supply and human capital explanations do not explain how youth labour markets operate as both of these have increased while wages and job quality remain poor. Grimshaw goes on to suggest ‘job queues’ as an explanation of the position of young workers. Job queues refer to how employers rank applicants by experience and performance and youth, often lacking labour market experience, are often located at the back of job queues (2014: 17). Inequality lessens the effect of job queue, as the youth wage discount means youth become attractive to hire. The concentration of youth in certain sectors as a result of the youth wage discount dampens their wages levels relative to all-age workers and low-wage jobs predominantly occupied by young workers become known as ‘youth jobs’ (2014: 17).25

Wage rates for young people in the UK have varied over time, and since 1999 have been influenced by the introduction of the National Minimum Wage

25 Grimshaw also notes that: ‘Studies in the ‘varieties of capitalism’ approach argue there is a strong association between the type of skill formation system and wage structure, with implications for relative earnings of young people stratified by level and type of education…. In arm’s length type approaches, as in the United Kingdom and the United States, a reliance on the market to produce general skills increases the risk that school leavers do not acquire marketable skills and ‘end up as low-paid unskilled workers for most or all of their working lives’ (2014: 21). This point is relevant as it highlights the need to examine the link between wages, and the form in which capital accumulation takes in a country.
(NMW), which is stratified by age (Low Pay Commission, 2016). Solow (2008) points out that: ‘the minimum wage for young workers is substantially lower than for adults. The proliferation of part-time jobs, many of them occupied by students and young people, may be a consequence of this in part, though it may have other roots as well…. [p]art-time workers tend to be paid lower hourly wages than full-time workers in the same or similar jobs [even with minimum wage laws in place] (Solow, 2008: 6-12). This point has greater significance in light of research which suggests that young people accept non-standard work more out of necessity than choice (Furlong and Kelly, 2005; Inui, 2005), and because of research which has revealed two-thirds of agency workers aged under-30 are looking for permanent jobs (TUC, 2014). Similarly, research by Smith (2005) has highlighted how flexible employment practices are often highly stratified by age and gender with ‘younger, older and female workers mostly experiencing these working patterns’ (2005: 98). These findings contrast arguments which suggest young people are at ease with insecure employment (Wyn and Dwyer, 1999), or are ‘comfortable with uncertainty.’ (Roberts, 2009: 262).

Research by Green (2001; 2011) has examined how British workers are working harder and longer as part of an intensifying of the labour process in UK labour markets. Rubery et al (2016) consider the role of flexibility in workplaces, noting that flexibility is promoted by employers and governments in a way which ignores the social impact on individuals and families. Gallie et al. (2017) explore insecurity, pointing out differences between ‘job tenure insecurity’ (which relates to being employed) and ‘job quality insecurity’ (which relates to the features of a job) (2017: 37-8). Benyon et al.’s research (2002) examines employment change across several labour market sectors by looking at the interconnected areas of: staffing policies and practices, training and skills development and, working time

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26 Although not explicitly mentioned in the work, all case studies used in the research were based in Greater Manchester
Benyon et al. identify a variety of factors affecting change, including: job insecurity, processes of internationalisation, new technologies and weakened trade unions. Various conclusions are drawn from the research, one of which being that the role of individual capitals is important in deregulated, decentralised economy in which central government intervenes less in the form of industrial strategy (2002: 20). Also relevant are the claims that ‘increased commodification of work’ (2002: 243) are leading to declining social responsibility among employers, with pressure to keep headcounts low leading to greater use of temporary staff and increase in ‘acting up’ (staff doing work that is of a level higher than their pay grade). Benyon et al. also note how wage pressures have led to reduced wage rates, reduced indirect labour costs, a changed skills mix.

The literature reviewed above is useful in that it provides clear analytical insight into specific areas of the world of work and employment. One criticism that can be levelled against the literature reviewed above is it often resorts to institutionalist explanations of prevailing labour market conditions. A lack of labour market regulation is identified as the primary cause of worsened labour market outcomes, meaning that prevailing conditions of political economy are left under-examined. It is clearly not the case that all research on work and employment is disconnected from political economy; this criticism is merely meant to demonstrate that there is a tendency in some research to resort to mid-level explanations of labour market phenomena.

**Summary**

This Chapter has reviewed three main areas of research: Section 1 examined local labour market studies, labour market policies, and labour market change. Section
2 explored prevailing explanations of young people. Section 3 detailed work and employment conditions and the labour process for young workers. The aim of this Chapter has to provide an overview of current debates and research in each of these areas as a basis for subsequent empirical chapters. This literature review has illustrated the need for a labour market analysis which is rooted in political economy and a critical understanding of capitalism. Analysis of young people has been shown to benefit from a critical theoretical approach, rather than focusing on arbitrary appeals to age, or generational explanations. It is therefore necessary to make use of the theoretical framework developed in Chapter 1 to conduct a labour market analysis of young workers. In order to do this it is also necessary to consider the role of other labour market actors, namely the local state, and private capitals. Chapter 2 has shown how the local state has changed in recent decades and has also illustrated the existence of several prominent features of labour markets for young workers, namely: the prevalence of low-paid work, and a misplaced policy focus on supply-side labour market interventions. Subsequent chapters of this thesis will examine these processes in more detail. Chapter 3 presents the methodology and research design of this thesis. Chapter 4 looks at the historical political economy of Greater Manchester and how this has shaped contemporary labour market outcomes for young workers. Chapter 5 explores how the actions of the local state affect labour markets for young workers. Chapter 6 examines how local employers impact working conditions for young workers.
Chapter 3 - Methodology and research design

Introduction

This Chapter is comprised of two main sections: Section 1 presents the methodology of this thesis, and section 2 presents the research design. The methodology explains why the particular research approach of the thesis has been selected and why it is the best approach to understanding young workers. The methodology builds on Marxist theory from Chapter 1 and details how this thesis articulates theoretical concepts through empirical observation. The research design explains how the research will be conducted by providing an overview of the way in which the research is structured and how data is collected and organised for systematic analysis. One aim of the methodology is to justify the Marxist approach which is used throughout this thesis. A central feature of Marxist research is the process by which theoretical concepts are generated at a high level of abstraction\textsuperscript{27} and then expanded to incorporate more and more of the complexity of empirical reality.

1. Methodology

1.1. Marxism: a historical materialist approach

The methodological framework adopted by this thesis posits that it is not possible for a researcher to completely separate themselves from their own material circumstances. Humans exist internally within the world and researchers

\textsuperscript{27} Abstraction in this sense means to ‘abstract away’ from; it is a process of isolating a particular social phenomenon or concept so that it can be understood and explained in isolation.
therefore cannot adopt an objective stance when they wish to conduct research. There is no Archimedean point from which to view the totality of society. An outcome of there being no possibility of complete objectivity means it becomes more difficult to make *a priori* claims about social existence, due to the inseparability of human consciousness from the material conditions it emanates from (Sohn-Rethel, 1978). It is therefore not possible to make theoretical claims *ab initio* (Elson, 1979). Instead, theory ought to be based on *a posteriori* claims which are rooted in material existence. Central amongst these are the following claims: humans are social, humans work together socially to produce and reproduce their social existence, and this process of social (re)production has taken different forms over different historical epochs as relations of production and reproduction between humans alter. The dominant mode of production is capitalist, and under capitalism production for private profit prevails over social need, leading to ‘labour [being] expressed in value…measured by duration…[in which the] process of production has mastery over man (sic)’ (Marx, 1990: 170-1). Marx goes on to note that the mastery of production over humanity is seen by bourgeois political economists as ‘self-evident and nature-imposed’ (Marx, 1990: 1701). However, capitalism is but one historical mode of production, which shapes prevailing material circumstances. The historical materialist approach to understanding society seeks to encapsulate these claims and foreground them in analysis. This centrality of antagonistic class-based social relations is brought to the fore by several Marxist scholars who argue that Marxist theory should not concern itself with ideational, ontological questions of ‘being’, but instead focus on ‘a theory of struggle [which] is necessarily anti-ontological, a theory turned against being, a struggle to recover theoretically the doing which being oppresses’ (Holloway, 2002: 90).

Harvey interprets Marx to mean that value is ‘a social relation’, and whilst the social relation of value does not directly bring about material change, concrete
changes in society do occur which are mediated by the centrality of exchange value (Harvey, 2005: 144). These changes in society and their outcomes cannot be predicted by theorising alone; they have to be found out through observation guided by theory. The social nature of society - and the materialist method of analysis required to understand it - indicate the need for a theoretical approach and accompanying methodology which is social, materialist, and historical. As Engels (1962) noted ‘political economy is...a historical science. It deals with material that is historical, that is, constantly changing’ (1962: 204). It is for these reasons this thesis adopts a historical materialist analysis which is rooted in the Marxist tradition.

1.2. The Marxist method of articulation

The starting point for any Marxist research agenda are the material factors specific to capitalist society. For Marx, these are: the production of commodities in order to generate surplus value, and the abstract social relations of production which emerge from these as humanity becomes developed into a class-based society divided into capital and labour (Marx, 1857 [1990]). The capital-labour relation is the most fundamental relationship in capitalist society. Fine (1974) notes Marxism is unique in that it: ‘places the individual in [their] class position and analyses [their] perception of that position’ (1974: 25). Although the capital-labour relation is central in capitalist society it is not immediately visible and cannot be observed solely by use of a conventional empirical methodology. Instead, the Marxist approach to analysing capitalist society occurs through examining existing material conditions of social reality and then seeking to abstract (or isolate away) from these conditions in order to be left with the essential aspect of materiality. For example, the complex reality of capitalist
society can be abstracted away from to reveal the commodity-form, and the generation of value which is at the centre of capitalist production; analysis can then proceed from here. Abstraction refers to the process of ‘extracting the essentials’ (Fine 1975: 13) and distilling down to the very fundamentals so that there can be the ‘building of explanations of phenomena on the structure of the essentials’. (Fine 1975: 13).

Marxism argues that it is not possible to find an external cause of social phenomena which exists externally to those phenomena themselves. All social phenomena – work, family, employment, commodities – are part of an ongoing historical process, a ‘qualitatively changing continuum’ which must be viewed as part of a wider totality (Elson, 1979: 14). Nothing can be seen to exist externally to this totality, but instead must exist internally to it; all social relations can therefore be understood as internal relations to capitalism (Ollman, 2003). Analysis of any part of this totality must begin with what specific social phenomena are to be analysed and, instead of proceeding sequentially, research must proceed from within these internal relations. This approach allows an understanding of what is occurring beneath surface levels of appearance and facilitates a focus on the essential features of social phenomena (Elson, 1979: 142). Going ‘beneath’ surface level appearances can lead to viewing a social phenomenon from many different aspects. These different aspects are only ever one-side of an abstraction and must be synthesised back into a wider social whole. This process leads to new knowledge and is a starting point for further abstractions. The whole process is an ‘ever-widening spiral’ which can only ever ‘cut up the continuum’ of capitalism, and give partial knowledge from a particular vantage point (Elson, 1979: 142-3); this approach is Marx’s ‘method of articulation’ (Bonefeld et al., 1995).

A second key aspect of Marxist methodology are the two hierarchal structures of ‘concepts’ and ‘reality’ which are identified as existing in Marxist analysis (Fine
The former moves from ‘simple to complex’ abstractions, whilst the latter moves towards a more expansive and concrete explanation of reality. The two concepts ‘do not correspond directly but there is a relationship between the two’ (1979: 11). An example of this conceptual framework is the way in which Marx explains the circuit of capital accumulation in Volumes 1-3 of *Capital*. In *Volume 1* Marx focuses entirely on the generation of surplus value in the sphere of production and abstracts away from the spheres of exchange, distribution, and consumption. These spheres are all necessary for the realisation of value but are not examined until *Volume 2* and *Volume 3.*

This analysis has been criticised for being excessively structuralist in its understanding (Clarke, 1980: 6) and for not adequately emphasising the process-driven nature of capitalism and capital accumulation. This is however a somewhat misdirected criticism. Structuralist tendencies are present in the analysis but these have a use, in that they provide a framework from which to devise a methodology with which to conduct analysis. Although influenced by the work of Althusser (1970) Fine and Harris’ interpretation of Marx rejects the structuralist, Althusserian belief that a ‘general theory of modes of production’ can be developed; this belief is seen as being overly deterministic and leaving no room for agency in Marxist theory (Fine & Harris, 1979: 12).

The criticisms of structuralism, determinism and associated accusations of functionalism which are levelled at Marxism as a research paradigm warrant response. A common criticism of Marxist analysis is that it reduces human agents to little more than bearers of the abstractions of capital and labour and is resultantley overly-deterministic. This criticism rests on a flawed understanding of Marxist methodology and does not take into consideration the process through which theory and reality and dynamically interrelated. The criticism also raises

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28 Whilst the processes occurring in the sphere of realisation modify production, production is still the predominant sphere, as it is the source of all value. (Fine & Harris, 1975)
the Marxist approach to the problem of structure and agency. It is worth referring to Marx’s own words on this subject:

‘Men (sic) make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past’. (1852 [1937]:1)

And,

‘The materialist doctrine concerning the changing of circumstances and upbringing forgets that circumstances are changed by men (sic) and that it is essential to educate the educator himself (sic). This doctrine must, therefore, divide society into two parts, one of which is superior to society. The coincidence of the changing of circumstances and of human activity or self-changing can be conceived and rationally understood only as revolutionary practice.’ (1969 [1837]:14)

Both of these quotes highlight Marx’s criticism of structuralism as an approach and the need for theoretical nuance in any analysis (Hay, 2002: 117). Marxist analysis overcomes claims of structuralism by ‘plac[ing] the individual in his (sic) class position and analys[ing] his (sic) perception of that position [and its relation to society]’ (Fine 1974:25).

1.3. Methodological openness

Chapters 1 and 2 highlighted the methodological limitations of institutional approaches to understanding capitalism and labour markets specifically. An additional aspect to Marxist research which is central to this thesis is the approach taken to disciplinary boundaries and to the usage of data in research. Marx’s own work straddled bourgeois disciplinary boundaries, drawing on politics,
economics, philosophy, political economy, law, and even chemistry to offer a critique of 19th century capitalism. (Marx, 1857 [1990]) Subsequent research in the Marxist tradition has continued this laissez-faire approach to disciplinary boundaries. In both instances the reasons for this are because such boundaries are artificial and inherently limiting when seeking to understand society. Society does not self-organise into clearly defined spheres and as such academic analysis ought not to be restricted by such limitations. This approach shapes methods of data collection used in this research. Data are collected from interviews, surveys, and secondary sources (detailed in section 2). These different forms of data are collected because there is no single form of knowledge which is more useful in demonstrating the underlying dynamics of capitalism. As capitalism is an all pervasive totality, any data can be analysed in relation to its position within capitalism. What is important is the manner by which data are analysed. What is important is the need to try and collect data which is able to provide concrete evidence of abstract processes of capital and the variegated affects which capital accumulation has upon society. Additionally important is the notion that this data cannot “speak for itself”; it must be situated within a framework of analysis in order to explain the significance of the data. The behaviour of an individual can be understood from their position as a worker, a consumer, or even as a bearer of capital. It is because of these reasons that this research makes use of various data sources in order to build a comprehensive argument. The main sources of data collected in this research are from: policy documents, economic reports, interviews, survey data, and field notes. The specifics of these data collection techniques are detailed in the research design section of this chapter.
1.4. The local labour market as site of study

The main aim of this methodological approach is to *ground* abstract processes of capitalist accumulation by analysing the *concrete* material conditions of young workers. A local labour market study can be understood as a type of extended case study (Burawoy, 1998; Yin, 2011). A case study is defined as a ‘detailed and intensive analysis of a single case’ (Bryman & Bell, 2011: 62). Case studies are more than a neutral methodological technique; they can be understood as ‘an organising framework within which data are collected’ or as a ‘conceptual framework for answering certain types of research question’ (Foster & Parker, 2014). Case studies have been criticised for their supposedly low levels of validity; it is alleged that an exclusive focus on one area of analysis means there is no basis for comparison, and no grounds for an objective stance. The limits of seeking an objective research position have already been highlighted, but even so it is inaccurate to argue that case studies lack validity. Case study research can be valid as the relationships identified by intensive approaches can have high internal validity, for example the factors identified as being important by the research and the relationships between them. This research focuses on the relationship between real social actors *and* the relationship between abstract concepts and concrete reality. These relations exist across capitalist society and as such there is great scope for generalisability, albeit of a particular type.

1.5. Defining the term ‘local labour market’

A LLM can be defined in several ways; at its most immediate and concrete level it is a geographically bounded space. LLMs are largely self-contained areas in which majority of travel-to-work journeys are internal (Knell, 1996). LLMs can
also be understood as being split by geography, industry, and occupation. Goodman’s (1970) work addressed what is specifically local about LLMs, highlighting the impermanence of LLMs and suggesting that LLMs are always changing. (1970: 181). Defining what constitutes a LLM depends on what the focus of analysis is. This research focuses the working conditions of young workers in relation to processes of capitalist accumulation and as such has developed the following local labour market definition:

A local labour market is a space in which processes of production and social reproduction occur and which are governed by the imperatives of capitalist accumulation and the law of value. The central relationship within the local labour market is therefore between capital and labour, in which the former purchases the labour-power of the latter. This purchase of labour-power by capital occurs so that capitalist accumulation may take place within the locality. A LLM is generally governed by a framework of laws, rules and regulations which draw their authority from the national state. This rules-based framework is implemented and maintained by a local-level governance system of institutions and actors. A local labour market is a geographically bounded space in which the majority of travel-to-work journeys are internal. This bounded view is usually held by the majority of actors which govern or operate within the local labour market.

1.6. Why Greater Manchester as a case study?

The basis of this research is a focused, extended local labour market study of the metropolitan county of Greater Manchester. This geographical scale is analysed because of the aforementioned reason that labour markets are ‘local’ in nature. A single urban area labour market study has been selected because a comparative,
multi-local labour market study would not allow sufficient detail to be generated which is necessary for the purpose of the study. A comparative study would be particularly limited in attempting to study the various aspects of young workers’ relations within capitalist accumulation, which need to be analysed using the method of articulation. The aim of the research is to understand the dynamic inter-relationship of young workers and other social actors within capitalist accumulation; a comparative analysis approach would not allow this as it would potentially not generate rich enough data and therefore be unable to answer the main research questions of the thesis.

Greater Manchester has been selected as a case study because of prevailing labour market conditions for young workers which existing research has illustrated and which have been shaped by historic processes of political economy. Greater Manchester – formerly the epicentre of the Industrial Revolution – experienced a period of economic decline throughout the post-war period which reached its nadir in the 1980s. Deindustrialisation led to rises in levels of unemployment and the decline of sectors such as manufacturing. Since the 1980s local state managers in Greater Manchester have presented an image of the county which has overcome de-industrialisation to become a successful, ‘post-industrial’ urban area characterised by a diversified, resilient local economy. Local elites point to the Greater Manchester devolution (or “DevoManc”) deal, in which the city gains greater oversight of around £7 billion of central government funding and increased retention of business rates revenue, as the culmination of the success of their local economic strategy (Lowndes & Gardner, 2016; Sandford, 2016). The actions of local state managers and the outcomes for young workers are explored in Chapter 5 of this thesis.

Greater Manchester is also suitable as it is not a statistical outlier in the way that Greater London is. London is a capital city and the financial centre of Europe, and generates large numbers of jobs from these two characteristics which other
UK cities do not. Greater Manchester’s local labour market possesses many of the features of similar ‘post-industrial’ Northern British cities such as Leeds, Liverpool, Sheffield, and Newcastle. Greater Manchester has experienced a wholesale shift in the composition of its local labour market; manufacturing now accounts for 9.7% of employment, having shrunk 37.3% as a sector in the last decade. Jobs in the ‘service sector’ account for 85.9% of total employment and overall unemployment across the metropolitan area stands at 12.3%. However, the ‘Manchester model’ of economic development has limitations and is subject to persistent criticism because of its association with processes of neoliberal restructuring (Peck & Ward, 2002). Greater Manchester is affected by: high and increasing levels of low-paid work (New Economy, 2016a), rising inequality (Centre for Cities, 2014), and an absence of affordable housing (GMCA, 2015). All of these problems are felt most keenly by young workers (Clark & Heath, 2014).

The youth population of Greater Manchester is also of interest; 12.1% of Greater Manchester’s residents are aged 16-24, slightly above the national average of 11.4% (New Economy 2016). Greater Manchester has a higher-education population of over 100,000 due to the existence of four universities in the metropolitan area.29 Chapter 2 noted there has also been significant in-migration of young workers to Greater Manchester in the past two decades, both from within the UK, and from the European Union. The factors shaping composition of the labour market and the implications for young workers are examined in Chapter 4.

29 These are the University of Manchester, Manchester Metropolitan University, the University of Salford, and the University of Bolton.
1.7. Locating Greater Manchester

Figure 2 demonstrates the metropolitan county of Greater Manchester, which is made up of ten metropolitan boroughs: Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, and Wigan.

The aim of thesis is not to reify the geography of the metropolitan county of Greater Manchester or its governance arrangements. Rather, the focus of analysis is on social relations of young workers and how these are shaped by processes of capitalist accumulation occurring ‘in and through’ Greater Manchester (Harvey, 1989a). The geographic specificities are not wholly unimportant, however. Greater Manchester can attribute part of its economic success to factors such as geographical location which made it a regional centre, and climatological conditions which meant it was a suitable location for the storage of cotton and therefore the growth of the cotton industry (Massey, 1987; Kidd, 2000a; Peck & Ward, 2002). Ultimately, though, these conditions did not by themselves lead to the growth and development of Greater Manchester; processes of capitalist accumulation centred on capital and labour did.

This research locates Greater Manchester temporally as well as spatially. The fieldwork for thesis research was conducted in late 2015 and throughout 2016. Accordingly all wages, prices and quantitative data refer to levels in 2016, unless otherwise specified. Secondary data on Greater Manchester’s labour market which is used in this research dates from 2000 onward, in part because this allows for the two most recent waves of UK Census data to be used, which provide sub-regional level data on labour markets which are disaggregated by age. The majority of secondary data used in this research dates from 2010 onwards.
1.8. Why the analytical focus on local state managers and local employers?

Chapter 1 explored the antagonistic capital-labour relation and how the capitalist state represents a ‘crystallisation’ of class forces at a particular moment in time (Clarke, 1990). The relation between labour, capital, and the state presented in Chapter 1 was at a high level of abstraction. In order to explore the material outcomes of these abstractions it is necessary to identify aspects of capitalist society which bear out this relation. Drawing on the theoretical and empirical literature reviewed in Chapters 1 and 2 this thesis identifies local state managers (and the governance institutions they manage) and local employers as key actors in understanding how the capital-labour relation empirically occurs. It is for this
reason that the relationship between young workers and local state managers, and
the relationship between young workers local employers have been selected as foci of analysis in this research.

The local state is analysed to understand its role in regulating the production-reproduction network of Greater Manchester, and in order to understand how this directly and indirectly affects young workers. Analytical focus is given to the local state because it is under-theorised in existing literature on labour markets, in particular the relationship between the national state and the local. This relationship is important because the local state must implement national policy whilst being most immediately responsible for handling the contradictory outcomes of capitalist accumulation. This research focuses on the prevailing composition of the local state, the local economic strategies and labour market policies local state managers pursue, and the implications and outcomes for young workers. The relationship between local employers and young workers is a concrete manifestation of the capital-labour relationship. Local employers buy the labour-power of young workers and attempt to use it to generate more capital, and young workers sell their labour-power – out of necessity – in order to earn a wage so that they may engage in social reproduction. The specifics of how individual employs use the labour-power of young workers are a major determinant in the overall conditions of young workers.

In order to increase the precision of analysis this thesis focuses exclusively on private sector employers. One reason for focusing only on private sector employment is because this type of employment is in the ascendancy in Greater Manchester. Public sector employment is declining, in part due to driven cuts to public spending since 2010. A further reason for focusing on private sector employment is because new forms of work and employment are more commonly found in the private sector. In the public sector there are still ‘good’ jobs which are permanent, unionised, and have defined internal labour markets. In the
private sector, by contrast, this is less true. Incidences of insecure, temporary, and other non-standard forms of employment are more common in the private sector, and levels of unionisation are also lower in the private sector (as Chapter 6 will show). A final reason for looking at the private sector is that it is the private sector that employs the majority of young people in Greater Manchester.

The research analyses six individual, private sector employers in three major sectors of the local economy in order to generate data for analysis. These sectors are; manufacturing, business services, and the digital and creative sector. These sectors have been selected for several reasons. Firstly, they reflect the changes which have taken place in Greater Manchester’s labour market in the last four decades. Employment in Greater Manchester has shifted from being predominantly based in manufacturing, to being predominantly based in the services. Within the service sector Greater Manchester has high levels of business service employment, as well as small but fast-growing levels of employment in the digital and creative sector. The second reason for having selected these three sectors is because they are all promoted as ‘headline sectors’ by local state managers, meaning that policies are in place to try and promote the growth of these sectors; this is explored in Chapter 5. The third reason for selecting these sectors is because they employ significant numbers of young workers. The fourth reason is because these sectors provide a cross-section of the ways in which capital is combined with labour-power, resulting in differences in labour processes and employment outcomes for young workers.

It is this final reason which is particularly important to the research. The sectors chosen are examples of changing dynamics of capital accumulation in Greater Manchester, which has shifted away from industrial production of manufacturing commodities, towards the production of services instead. Manufacturing has been selected as a sectoral case study as existing research and documentation produced by local state managers in Greater Manchester perceive manufacturing
as a site where “good quality” work and employment relations can exist. The two manufacturing case studies – Globits and Woodfields - are both transnational and have multiple branch-plants, and their Greater Manchester sites both produce advanced machinery for further manufacturing (digital automation tools, and precision tools, respectively). Both are well-established in Greater Manchester and provide entry-points for young workers.

The two business services employers – Red Door and Tolimont – have been selected are they reflect the prevailing conditions of employment for many young workers, and are archetypal of service sector employment in general. Both business services case studies employ large numbers of young workers, and both business have been in operation no longer than thirty years. Both are also UK-based, and do not operate internationally. The two digital and creative employers – Socrates Technology and The Castle Theatre – have been selected as case studies as they reflect business strategies of many digital and creative companies. One important point to note is the creative and digital sector is viewed as a single sector by local state managers in Greater Manchester; this is in spite of differences in business strategies and in products and services produced. This research has decided to use the combined sectoral category of creative and digital as it used by local state managers in Greater Manchester. The limits of conceiving of the two sectors as one are discussed in Chapter 7.

1.9. What this research is not examining

There are certain areas which are not the focus of this research. One of these is employment in the public sector. A decision has been made to not explore public sector employment for several reasons. One is that there has been a decline in public sector employment and increase in private sector employment for young
workers in Greater Manchester (measured both as a percentage and in total numbers employed). Another reason is that employment is the public sector is markedly different from the private sector; there are noticeable differences in employment quality, for example pay-rates, pay increases, promotion opportunities, and pensions. In short, there are still ‘good jobs’ in the public sector; these are however not the norm for young worker in Greater Manchester.

Employment of young workers in the retail and hospitality sector is another area which is not considered by this thesis. This sector is not being examined because there are already pre-existing studies of young workers in the retail and hospitality sector in Greater Manchester (Nickson et al., 2011), as well as numerous studies of retail and hospitality workers more generally (Warhurst and Nickson, 2007; Nixon, 2009). Although retail and hospitality is the largest sector in terms of employment of young workers this thesis argues that there is more to be gained by examining employment in manufacturing, business services, and the digital and creative sector. Not only do these three sectors provide a broad cross-section of the potential forms of employment for young workers in Greater Manchester, these are also the sectors which the local state is actively promoting as vehicles for local economic development. Analysing these three sectors provides the thesis with more internal cohesion and also allows for an exploration of the extent to which these sectors are able to generate decent quality, sustainable jobs for young workers.

This thesis does not directly focus on students who work whilst studying. This lack of an explicit focus on student workers is not due to a belief student workers are an unimportant category of analysis; existing research has indicated the importance of student workers to the labour force of certain sectors of the economy (TUC, 2004). Student workers are particularly important in the retail and hospitality sector, which employs over 500,000 students on a part-time basis (Huddleston, 2011). Research has shown that in the retail and hospitality sector
the increase in flexible working practices (such as extended opening hours) has been of benefit to students as it has become easier for them to obtain work which fits around their studies (Curtis & Lucas, 2001; Canny, 2002). A 2014 study found that around 45% of students in higher education worked part-time whilst studying, and a further 13% worked full-time (Gil, 2014).

This thesis does not seek to downplay the significance of student labour, nor does it seek to ignore the working conditions of student workers in retail, hospitality, or other sectors of the UK economy (which existing research has illustrated to be important, see Bozkurt & Grugulis, 2011). This thesis instead aims to focus on the structural factors which shape conditions of work for young people, rather than exploring working conditions in every type of work which is available for young people. The empirical focus of this thesis includes an examination of the conditions of work and employment for young workers in three sectors (manufacturing business services, and creative & digital). Although some student workers will inevitably work in these sectors, they do not comprise the majority of the workforce, nor are young people employed in these sectors specifically because they are young students, as is the case in other sectors such as retail and hospitality (Nickson et al., 2011).

A further important point is that for students who are working their work is secondary to their studies. The work is done in order to support the studies, not the other way round. As such, student workers are students first, and workers second. Often, students who are employed in jobs in retail and hospitality see such work as ‘transitory’ (Maguire and Huddleston, 2009; Huddleston, 2011), and many do not require the wage paid from the job for their basic social reproduction as they live with family (although increasing numbers of students are undertaking paid work to support themselves whilst at university due to cuts to maintenance grants, see Moreau and Leathwood (2007)). Moreover, there has been a decline in ‘earning whilst learning’ among certain students (notably those
in further education) since the 1990s (Conlon et al., 2015), as young people are instead focusing on their studies rather than seeking to earn a wage to use as disposable income. Again, this understanding of student workers is not meant to derogate the work which student workers do. Rather, it aims to highlight that, often, ‘student jobs’ are a very particular type of employment. As Grimshaw (2014) notes, certain types of low-quality jobs which are often done by young people have a tendency to become known as ‘youth jobs’ and resultantly the poor-quality of work becomes normalised. Many “student jobs” can also fall into this category. Solow (2008) points out that: ‘the minimum wage for young workers is substantially lower than for adults. The proliferation of part-time jobs, many of them occupied by students and young people, may be a consequence of this in part, though it may have other roots as well…. [p]art-time workers tend to be paid lower hourly wages than full-time workers in the same or similar jobs [even with minimum wage laws in place] (Solow, 2008: 6-12). One of the aims of this thesis is to understand why local labour markets have developed in such a way that there are large volumes of low quality jobs available, rather than presenting a descriptive portrayal of the features of the student workforce.

This research does not directly explore the relationship between social reproduction and young workers. Social reproduction is indirectly examined through focusing on the wage, which is exchanged for labour-power and forms part of the product of social reproduction. Processes which occur in the household and the informal sphere, however, are not examined in this research. This choice has been made because it was not viable in terms of time and resources to examine the spheres of both production and social reproduction for young workers in Greater Manchester. This choice is not meant to downplay the importance of the sphere of reproduction. It is, as Katz (2001) ‘the biological reproduction of the labour force, both generationally and on a daily basis. It also encompasses the production and reproduction of manual, mental and conceptual
skills. All of this is achieved on the basis of the individual wage plus the social wage provided by various state agencies (for example, education and health care)’ (Katz, 2001: 709-28). The definition highlights the expansiveness of social reproduction, and how it overlaps – often uneasily – with production. Neoliberal reforms of education, employment, and labour markets have had at their core the aim of individualising the costs of social reproduction for the purposes of increasing capitalist expansion. This trend is explored in Chapters 4 and 5.

This research does not examine non-waged labour, for example enforced, trafficked, or voluntary labour. By excluding these types of labour the aim is not to detract from their significance in the contemporary economy. Rather, the aim is to provide greater focus and clarity on the conditions of wage-labour for young workers in modern labour markets. One final area of which is not considered in this research is the financial sector and the role of financialisation. The financialisation of the British economy over the past three decades has had a large influence on labour market outcomes and working conditions (Fine, 2013; Soederberg, 2014). This thesis argues that although processes of financialisation negatively affect young workers they do so indirectly, and not in the same way that the direct actions of local state managers and local employers do.

2. Research Design

This section details how the thesis was structured in order to collect gather empirical data and findings for analysis. This section gives details of the data collected and explains why these data were collected. It discusses: the potential limitations of the research, data analysis, and the ethical consideration of the research.
2.1. Data collection

Specific data has been collected which is presented in Chapters 4 - 6. The specifics of the data are detailed from section 2.2 onwards. The data presented in Chapter 4 focuses on structural changes in capitalist accumulation which have occurred in recent decades and explains how they have led to changes in the sectoral and occupation composition of the labour market of Greater Manchester. The data presented draw on: primary interviews with labour market actors, economic reports and existing labour market research. Chapter 5 examines the relations between young workers and the local state. It draws on interviews with local state managers and other local economic actors, policy documents, economic reports, and other relevant local labour market documentation. Chapter 6 explores the relationships between young workers and local employers. It draws on data from: interviews with business owners, CEOs, HR managers, other senior managers and frontline young workers, as well as official company documentation, media reports, and other relevant secondary data.

2.2. Primary data: interview data

Thirty-three semi-structured interviews were conducted for this research. These were then transcribed and coded using NVivo software so that findings could be systematically analysed. Purposive sampling was used in order to select individuals who were to be interviewed; this was done in order to select individuals whose knowledge and expertise would be relevant. Individuals who

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30 A sample informed consent form, sample interview questions and a full list of interviewees can be found in Appendices 1-3.
31 The coding frame used to thematically code interview data for subsequent analysis can be found in Appendix 4.
were interviewed included: local state politicians, managers and planners; local employers, including owners of firms, CEOs and HR directors; local trade unionists; individuals from local charities, and; individuals with expert labour market knowledge, such as education managers and vocational education and training (VET) providers. At each employer studied attempts were made to interview senior managerial figures and young workers. This choice was made in order to increase the reliability of the data collected and to better verify claims being made by interviewees. This strategy was not always possible, but in the majority of employer case studies a young worker has been interviewed alongside a senior figure. Whereas interviewing senior managerial figures provided insights on strategic and operational decisions, interviewing younger workers provided a more immediate insight of workplace pressures and of working conditions. Interviewing both young workers and senior figures allowed for an exploration of how managerial strategies played out amongst employees and revealed the extent to which there was a disconnect between managerial and junior staff.

Interviews with different participants have different aims. Interviews with elected officials had the aim of understanding justifications for decisions. It became evident that elected officials, even at the local level, were largely unwilling to participate in research. Only one successful on-record interview with a local councillor was achieved. Evidence from this interview shed light on why other elected officials were unlikely to participate; in the interview it is revealed that power is wielded in through a system of patronage in which cash (in the form of increased salaries for holding committee chairs) is handed out in return for party loyalty and voting in certain ways (Interview, local Councillor, February, 2016). The level of control which senior council figures have was corroborated by interviews with other figures in Greater Manchester, who discussed informal power networks in the city; this is supported by existing
research on Greater Manchester’s governance arrangements, and by theories of local politics.

The aim of interviewing local state managers – such as policy officers, researchers, and strategist - was to understand the strategy, goals, and aims of policy, as well as how policy was implemented. Related to this was the aim of understanding how planners perceive the problems in the local labour market, as well as how they generate solutions to these problems. When interviewing business owners and employees the aim was to understand how they operate in the local labour market, specifically relating to the ways in which local employers recruit young workers and make use of their labour-power.

A combination of purposive and snowball sampling was used to select interviewees. Access to most interviewees was achieved after making direct contact with the individual; in some cases access resulted from being introduced by another interviewee. There was the risk of self-selection bias as a result of this approach; interviewees clearly wanted to discuss their knowledge and experience. However, the risks of this bias are outweighed by the benefits to be gained from interviewing knowledgeable participants. There are various motivations for individuals participating, ranging from wishing to explain decisions they were proud of, through to wishing to justify bad decisions, or to seek some forgiveness for their actions. There are risks associated with using interview data: interviewees can lie, distort, forget or misrepresent, as well as misunderstand (Holstein and Gubrium, 2003: 2; Wickstrom & Bendix, 2000). These are all potential pitfalls to conducting interviews which were overcome by interviewing a range of actors, as well as not relying exclusively data collected from interviews.

There were limits to interviewing the individuals chosen in the study. Individuals interviewed from the local state were potentially restricted in that they had to be
‘on-message’ regarding local state strategies and could not be overly critical. There were almost no dissenting voices among local state officials who were interviewed. This may be because all those involved in local state institutions who were interviewed genuinely supported local strategies, it may be because of their lack of knowledge about deeper problems or structural limitations, or it may be because they fear being disciplined. Some individuals in the private sector who were interviewed were reticent to go into detail on the specifics of their work, in part due to perceived time commitments, or because they feared inadvertently going into too much detail about commercially sensitive industrial processes, and corporate employment practices. There also appeared to be an awareness amongst some interviewees of not wishing to say anything bad about the young workers they employed. This may have been due to fieldwork of this research taking place at a time when youth unemployment and precarious work was a recurrent item in mainstream news media.

2.3. Secondary data: survey data and other statistical data

Survey data and other statistical data were used in this research to explore the labour market composition of Greater Manchester. The main sources used are: ONS data, in particular UK Census data; BVD Fame data; Business Register and Employment (BRES) survey data and; Annual Survey of Household Earnings survey (ASHE) data. ONS data were used more generally for statistics on level of employment, unemployment, population, age, and educational level in Greater Manchester. The ONS is responsible for administering UK Census data, which were used in this research for sub-regional information on young workers in Greater Manchester. One limitation census data is they are from 2010 and Greater Manchester’s local labour market has subsequently altered. This limitation has
been overcome by complementing census data with other data, including primary data. BVD Fame – a database of company information – was used to provide background information on the employers studied, and to assist in selection of each case study. Business Register and Employment Survey (BRES) data was used to explore the composition of the GMLLM in terms of sector and subsector. A license was acquired in 2015 (and renewed in 2016) to make use of sub-regional data from BRES which detailed how many and what types of businesses operate in Greater Manchester, according to post-2007 standard industrial classification (SIC) codes. ASHE data was used to provide data on levels of pay and inequality within Greater Manchester.

There were some limits to the survey data available. The biggest problem was that much of the data was not disaggregated by age, or if it was then it was at a national level, which was unhelpful for analysing sub-regional labour markets. The exception to this was UK Census data. This limitation has been overcome by combining data-sources, inference, and making use of primary data.

2.4. Secondary data: documents, reports, briefings, minutes

Various documents were systematically collected from key private and state actors in Greater Manchester (these are detailed in Chapter 5). Types of documents which were used included; policy documents, strategic documents from labour market institutions, published materials from businesses, and published reports and research from organisations which analysed Greater Manchester’s local labour market. Access to these documents was gained through: email requests, online access, in particular making use of the ‘site map’ function of websites, and accessing hard copies. These documents were then inputted into an NVivo qualitative database and ordered by thematic category -
e.g. ‘economic strategy’, ‘policy shift’ - in order that they could be analysed systematically by using the analytical coding framework that was developed for the research.

There are limitations to making use of this type of secondary material. Documents are not neutral sources of data; they are created by individuals with particular aims, beliefs, and understandings. Often authorship of documents is unclear, as is the purpose of the document. The content of documents are however a manifestation of the broader circumstances from which the document emanates and it is for this reason that they are used as sources of data. In Greater Manchester, for example, it is unlikely that local state managers would commission a report on viability of appropriating assets of all private firms because this would be anathema to their economic strategy (as Chapter 5 demonstrates). Policy document and reports are created with particular aims in mind and exist within a narrow framework of options. Policies are developed and implemented to achieve particular goals which are determined by local actors with power, but who are themselves operating within the confines of structural forces.

Another limitation is that it is not always clear what methodology had been followed to collect data. Methodologies and research designs are often presented, though these are sometimes incomplete or insufficiently detailed. A second, related problem is that – depending on what sources are drawn upon – statistical information can be manipulated, or become politicised. For example, statistics relating to unemployment have been historically politicised and unemployment has been measured in ways which make unemployment appear lower than it is. One technique to skew perceptions of unemployment has been to use different measurements. This limitation is overcome by cross-referencing data in policy

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32 Roberts (2009) notes that ‘if labour force surveys had been conducted throughout the 1980s, they would have indicated unemployment at above four million for most of that decade and into the early-1990s’ (Roberts, 2009: 361). However, even measurements such as the Labour Force Survey underestimates levels of joblessness; it does
documents with other sources, and maintaining a critical eye when using all secondary data, applying suitable academic rigour throughout.

2.5. Data analysis

The empirical data presented in Chapters 4 – 6 is analysed in Chapter 7. Each of the empirical chapters presents data on a different aspect of young workers material conditions: labour market composition and change, the local state, and local employers. Each of these chapters operationalises a different aspect of the capital-labour relation and demonstrates this relationship empirically. In each of the empirical chapters there were limitations resulting from the nature of the data itself. There was also a theoretical problem of trying to collect data using the method of articulation; the major problem being that each empirical chapter only presents a partial picture of young workers and cannot be fully understood without reference to other empirical chapters. Each empirical chapter is in a sense a ‘cut’ in the capitalist continuum, and viewed in isolation each chapter presents a limited vantage point. Chapter 7 draws on theoretical material from Chapter 1 to bring different empirical ‘cuts’ together and analyse them holistically, in order to better understand the complexities of the labour-capital relation and its impact on young workers.

not count ‘discouraged workers’ – those who have not searched for job in last 7 days e.g. young people on training schemes. Unemployed people can also be removed from statistics by changing their status; for example by classifying the unemployed as long-term sick, or by persuading the unemployed to go into self-employment. (MacDonald, 2001:434; Roberts 2009: 361).
2.6. Ethical considerations

The importance of conducting the research in accordance with ethical standards is central. These standards relate to; the provision of informed consent, the avoidance of deception, and the ensuring of both respondent validation and anonymity. These standards were achieved by: presenting all participants with an overview of the research; providing answers to any questions participants had about the research; acquiring the signature of each participant on an informed consent form; informing participants that participation was voluntary and that participants could withdraw at any time; anonymising names of individuals and businesses on transcripts and all other data, and; securely storing all data on an encrypted hard-drive. This the research applied for, and received, ethical approved from the ethics board of the University of Leicester, the institution which funded the research. In order to obtain this approval the research needed to demonstrate that has it abided by the rules and regulations of the ethics committee and required met the required standards described above.

Summary

This chapter has provided an overview of the methodological framework and the research design of the thesis. It has detailed the Marxist method of articulation, explored why a local labour market study has been conducted and explained why Greater Manchester – and specific actors within Greater Manchester – have been selected for analysis. The research design detailed how the thesis research is conducted. It has explored and provided justification for why particular forms of data collection are used, and has explored the limits of each of these forms of
data. The research design has explained how data was collected, and the ethical considerations which were involved in designing the research. The following three chapters present the empirical findings from the fieldwork.
Chapter 4 – The relationship between young workers and structural changes in Greater Manchester’s labour market

Introduction

The aim of this chapter is to examine how historical shifts and transformations in capitalist accumulation in Greater Manchester since the 1960s have shaped labour market conditions for young workers in present-day Greater Manchester. It advances the conceptualisation of young people as workers within the capitalist mode of production and details how the capitalist mode of production impacts young workers through mediating political and economic institutions which shape labour market outcomes. The main research question of this chapter is: what is the relationship between young workers and structural changes in Greater Manchester’s labour market? This is broken down into three smaller questions, addressed in three successive subsections: what is a Marxist political economy of youth? what have been the impacts of the crisis of the 1970s on Greater Manchester’s labour market? and what does the contemporary labour market for young workers look like and why? This chapter draws upon Marxist political economy to understand how and young workers have been affected by historical shifts Greater Manchester’s local labour market which render them dependent upon low-waged work in the service sector.

The chapter is divided into three sections. Section 1 develops and expands the idea of a political economy of youth perspective. The aim is to situate young workers within capitalist relations of production and reproduction and highlight the limits of approaches which focus on the essential youthfulness of young people (Arnett, 2000; Woodman & Wyn, 2005; Côté, 2014a). Young workers’ material conditions can be better understood if analytical categories from Marxist
political economy are drawn upon, notably: labour, capital, the state and social class. Using these categories situates young workers in their historical and material position in relation to capitalist production. It is however methodologically inappropriate to attempt to move directly from abstract categories of analysis to concrete outcomes; doing so ignores the Marxist method of articulation (discussed in Chapter 3), in which concepts generated at a high level of abstraction are mediated and rendered complex through their interaction with observable empirical reality.

Section 2 of this chapter assesses the impact of historical shifts in the political economy of Greater Manchester, focusing specifically on processes of deindustrialisation and the emergence of a service sector economy. These processes are found to be effects of capitalist imperatives to self-valorise at a global level. Section 2 uses the method of articulation to examine how structural processes of capitalism are mediated through intervening social categories – notably state institutions, trade unions, and private sector employers – in order to examine the effects for young workers in Greater Manchester’s local labour market. Section 3 of this chapter examines the contemporary local labour market for young workers. It shows how Greater Manchester has undergone waves of change which have led to markedly different labour market conditions in the contemporary period to those of the 1970s. The changes are notable in the sectoral and occupational composition of the local labour market, but also evident in the labour process, wages, training and educational opportunities for young workers.
1. A Marxist political economy of youth

In order to comprehend the material conditions affecting young workers it is necessary to understand what, if anything, is specific to the conditions of young workers. It is necessary to work out if there can be a political economy of youth at all, or whether youth is too contingent a social category to analyse within a political economy framework. Hobsbawm (1994) describes youth as a ‘temporary halting place on the human passage through life’ which is by its very nature transitory (1994: 299). This thesis argues that it is possible to develop a political economy of youth, although it is necessary to first precisely define what is meant by “youth”.

1.1. How should youth be theorised and defined?

Understanding how youth is defined is a necessary precursor to analysing the conditions facing young workers in labour markets. Defining youth is also important as power relations can be exercised and expressed through definition. The power of definition and classification is evident when examining how age is used as a category to allocate access to resources in labour markets, for example differential wage-rates, access to training, or receipt of in-work benefits. Chapter 2 of this thesis noted how some research which seeks to explain young workers’ material conditions can be considered essentialist as it argues there is

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33 The British state’s definition for youth is currently 16-24, as detailed in the introduction to this thesis.
34 As of 2017 the national minimum wage (NMW) is stratified by age in the following categories; for under 18s the NMW is £4.05 per hour (p/h), for 18-20 year olds it is £5.60 p/h, for 21-24 year olds it is £7.05 p/h, and for 25 year olds and over it is £7.50. There is also an apprentice rate of £3.50 p/h for apprentices aged under 19, or over 19 but in the first year of their apprenticeship (Low Pay Commission, 2016; HM Treasury, 2017).
something specific or unique to people of a certain age which explains why they experience particular material conditions. This thesis challenges essentialist accounts of youth and emphasises how the material conditions of young workers are shaped primarily by their class position within the dominant capitalist mode of production. This thesis argues it is more analytically insightful to conceptualise young people as workers who have to sell their labour-power to capital, as it is this facet of their existence which most determines their material conditions under capitalism. It also highlights that whereas age is a biologically determined category - a person is one year old, ten years old, fifty years old, and so on - youth is a socially constructed category whose meaning has evolved over time. There is an apparent arbitrariness when defining at what age an individual ought to be considered young, or not-young, and the definition of who is to be considered young has altered over time. Research by Aries (1962) and Zelizers (1985; 2005) demonstrate the shift from childhood having a monetary price - evident in the historical existence of child-labour - to childhood being viewed as ‘priceless’ by contemporary Western society (1985).

The shifting of who is considered young or not-young in relation to labour markets highlights that definitions of youth, and the status conferred in that definition, are not altogether arbitrary. Instead, definitions are connected to labour markets, and to the specific requirements of capitalist accumulation in a particular time and place. Child labour existed in the UK as late as the 19th century (and continues to exist elsewhere in the world), and even after its abolition young people in the UK continued to leave school earlier than the legal school leaving age in order to enter into paid work. This legalistic status of young people in relation to labour markets is only one aspect of how youth is perceived in relation to labour markets. Another crucial aspect relates to how young workers are perceived by the state and by employers, and how they are treated as a result.
Historical shifts are indicative of the way in which social changes relate to changes in the capitalist mode of production which are mediated through institutions in society. In the 19th century industrial capitalism required large volumes of cheap labour to work in factories and so made use of child labour which existed in abundance due to the dispossession of formerly rural families who migrated into cities in search of subsistence through selling their labour (Davin, 1982; Turner, 1984). The tendency in capitalist development towards increased technological advancement for reasons of reduced turnover time and increased capital accumulation meant that by the 20th century capitalist production had become more technology advanced. An outcome of this development was a more skilled, educated labour-force was required to allow efficient utilisation of new technology. The processes which shape the productivity capacities of abstract labour under capitalism are explored more in Section 2 of this chapter.

A key aspect of a political economy of youth is articulating the analytical and empirical movement from labour in the abstract, to the varied forms of young workers which exist in Greater Manchester’s local labour market. There have been, and continue to be, various processes internal to capitalism which have led to concrete, observable labour market outcomes, in which young workers become differentiated as students, trainees, apprentices, or workers. The unfolding of these processes in Greater Manchester is detailed more in section 2 and 3 of this chapter.

1.2. The analytical priority of class over youth

Social class is stressed as being analytically more significant than one’s youth status when understanding the conditions of young workers. The importance of
class has been detailed in Chapter 1 and 2, which highlighted the analytical primacy of class-based social relations in capitalist society whilst also stressing the importance of other factors which intersect with class, such as race and gender. Important to conceiving young workers in relation to broader relations of production is the conceptualisation of young workers collectively, as bearers of abstract social labour (Elson, 1979: 138). This understanding contrasts with approaches which begin with a young worker as an individual. These latter types of approach lead to arbitrary, mid-range analytical categories being used which are insufficient to analyse the material factors affecting young workers. Once young workers are understood as individual private bearers of abstract social labour the next analytical step is to explore how they exist in relation to processes of capitalist self-valorisation, and how their labour-power is used, shaped, adapted, and exploited by capital, which is expressed in the concrete social-forms of private employers, state institutions, and through the social power of money (Bonefeld, 1996; Soederberg, 2014). Crucially, both labour market institutions and young workers themselves are affected by abstract capitalist social relations which shape and inform the behaviour of human agents in ways that are not immediately apparent to human agents themselves.

Individual young workers without direct access to means of production sell their labour-power to capital in exchange for a wage, so that capital can make use of their labour-power in the production of surplus value.\footnote{Although not the focus of this thesis, it is also important to note that as well as existing as workers, young workers also exist within capitalism as consumers of produced commodities (Harvey, 2016).} It must be stressed that wages are not an equivalent of labour-power; they are but one concrete expression of the value of labour-power in the sphere of exchange. The level of wages paid to young workers in exchange for their labour-power cannot be understood or determined in isolation, but is connected to the more general value of labour-power of young workers, which encompasses the spheres of capitalist production and reproduction. The value of youth labour-power could increase, for example,
if wages remained constant, but the cost of wage-bundle commodities – food, transport, or housing – were all reduced. This point highlights the interconnectedness of processes occurring in the spheres of production and reproduction in determining the value of labour-power and cautions against seeking to calculate the value of labour-power by focusing exclusively on one factor, such as wages.\(^{36}\) As the value of labour-power does not refer exclusively to the distribution of surplus value in the sphere of exchange, but rather refers to the state of the relation between capital and labour expressed concretely in production and exchange, then conflict over the form and nature of work and employment is as much a determinant of the value of labour power as are levels of wages and commodity prices.\(^{37}\)

1.3. Differences amongst young workers

In placing the analytical priority of class ahead of youth it does not follow that young workers are to be analysed as a coherent, unified class. The reason young workers cannot be analysed as a unified class is because the analytical category of labour is an abstract concept which must be mediated and articulated through layers of social reality. Young workers are bearers of labour-power, being as they are elements of total social labour, but at the level of observable empirical reality young workers are differentiated through having their labour-power valued differently, due to factors such as: levels of skills, education, or more arbitrary factors such as location of birth. The intersection of the analytical category of labour with other social categories, such as sex, race, gender, or disability is also

\(^{36}\) To fully understand the political economy of youth it would be necessary to explore how young people engage in social reproduction, and examine areas such as wage-bundle commodity (department two commodities) purchase, housing, household composition, and other areas. This research abstracts from social reproduction, however, and focuses exclusively on social production.

\(^{37}\) Conflict over the value of labour-power is also expressed through struggles over the composition and behaviour of institutions and agents of the state; this is explored in Chapter 1 of this thesis.
important. Existing studies have demonstrated how these social categories can impact labour market opportunities and outcomes, due to historical factors leading to structurally differentiated labour markets existing in which minority groups experience poorer quality working conditions (Dale et al., 2002; O’Higgins, 2012). The existence of these barriers for certain young workers highlights the divisions within the youth cohort and how differences between young workers and all-age workers are affected not only by class, but also by the intersections of sex, gender, race, and disability. The role that these factors have in shaping the material conditions of young workers further highlight the limitations of explaining young workers’ position primarily in terms of their age or youthfulness.

Young workers are also affected by their relations to all-age workers. Chapter 2 noted how much of the existing literature on young people focuses excessively on generational differences and downplays class differences. This misguided focus leads to the primary locus of analysis being generational conflict, which distracts from the more fundamental tension of class-conflict. The former intersects with the latter, but the latter is dominant as an individual’s material conditions are determined more by their position in relation to production than their position in the age hierarchy of a society.

2. Exploring the impact of the 1970s crisis of capitalism on labour markets for young workers in Greater Manchester

2.1. Deindustrialisation in Greater Manchester

This section details the historic developments which have affected Greater Manchester’s political economy over the post-war period, specifically focusing
on how changes in processes of capitalist accumulation have been expressed in labour market outcomes for young workers. It is helpful to ‘periodise’ capitalist development (Fine & Harris, 1975) in order to move from high to low levels of abstraction so as to be able to empirically analyse how the contradictory dynamics of capitalist accumulation manifest in local labour market outcomes.

From the late 18th century onwards capitalist development in Greater Manchester capitalist development was built upon the labour-intensive production of cotton, which employed just under 50% of workers in the Manchester-Salford core of the city-region in 1839 (Clay and Brady, 1929; Williams and Farnie, 1992). The profitability of cotton production meant Greater Manchester continued to grow as a profitable site for capitalist investment into the 20th century. In 1898 Trafford Park - the world’s first industrial estate - was established near the site of Salford Docks in Greater Manchester. Trafford Park attracted US firms such as Westinghouse and Ford Motors, the latter setting-up a factory in Trafford in 1911 before moving to Dagenham in 1931 (Kidd, 2002). The growth of manufacturing in Greater Manchester in the early to mid-20th century was as labour-intensive as the cotton industry; over 75,000 people worked on Trafford Park alone by 1945, and 717,460 people worked in the manufacturing sector of Greater Manchester in 1951 (53.1% of a total workforce of 1.35m). The other major sectoral employers the immediate post-war period were: consumer services (20.5%), utilities, transport and construction (12.5%), public services (7.8%) and business services, which comprised a mere 2.8% of total employment by 1951.

In the immediate post-war period Greater Manchester’s economy was however centred on manufacturing. This fact is evidenced from post-war planning and reconstruction documents from the period: ‘Manchester is primarily an industrial city; it relies for its prosperity - more perhaps than any other town in the country - on full employment in local industries manufacturing for national and international markets’ (Nicholas, 1945: 97). However, the position of
manufacturing as the major sectoral employer began to decline from the mid-1960s onwards (Martin and Rowthorn, 1986; Kidd, 2002a). In the same period employment increased in service sectors – such as retail and hospitality - and in the public sector. Sectoral changes in employment in Greater Manchester from the mid-19th century up to 2011 are detailed in Table 1.

It is important to note that –although the largest sector of the local economy in terms of employment - manufacturing was not the only employer in Greater Manchester in the post-war period. Consumer services accounted for over a fifth of total employment, and public sector employment made up almost 10% of employment, and employment in utilities a further 12.5% (as illustrated by Table 1). It is also important to note that in the post-war period sectors such as manufacturing were not (and still are not) homogenous in terms of their output, production methods, or working standards and levels of remuneration for employees. Manufacturing in Greater Manchester was characterised by the existence of advanced engineering firms such as those which existed on Trafford Park and had done for decades (for example US firms such as Westinghouse and Ford) (Kidd, 2002b). In these workplaces there were opportunities for skills development through apprenticeships, as well as the potential to progress through internal labour markets into more senior positions (Clements, 1958). Both of these features of employment were in part facilitated by the strong trade union presence at large, single site Chandlerian firms which existed in Greater Manchester in the post-war period (Dodge and Brooks, 2016). However, alongside advanced engineering firms there is evidence of the existence of smaller, less technology developed manufacturing firms in which the overall was process was less complex, and at which rates of pay were lower (MacInnes, 1987; Peck and Ward, 2002). The existence of these different types of manufacturing alongside one another in Greater Manchester highlights the need to avoid making
sweeping generalisations about manufacturing in the post-war period in the city, and in the UK more generally.

Another important point to take into consideration is the gendered nature of local labour markets across Greater Manchester in the post-war period, and the manner in which female workers were often excluded from work in skilled engineering jobs, as a result of discriminatory hiring practices by employers, or interference by male-dominated trade unions (Bruegel, 1979; Safa, 1981; Mallier and Rosser, 1987). In these subsectors there is also evidence of particular jobs becoming devalued once women entered into them, illustrating the socially contracted nature of skills and how the notion of ‘women’s work’ was used disparagingly to segment workers (Reskin, 1988; Fine, 1992; Cohen and Huffman, 2003). This latter point highlights one of the persistent contradictions of capitalist labour markets, namely the tendency for labour to become by pre-existing social categories such as sex, gender, race and age, leading to increased labour market competition.

Increased numbers of women began to enter into Greater Manchester’s local labour market in the post-war period, obtaining employment in growing sectors, such as the service sector, specifically business services, retail and hospitality. The shifts in employment by industry and gender at the UK-level from the 1970s onwards are illustrated by Figure 3, below. The UK picture is broadly reflective of conditions in Greater Manchester during the period (Giodarno and Twomey, 2002) and is illustrated in more detail in Figure 4, below. For female workers in Greater Manchester the post-war period poor quality working conditions were compounded by the lack of any substantive legislative protection; the Equal Pay Act was not introduced until 1970, and the Sex Discrimination Act was introduced later still, in 1975 (Court, 2005).
**Figure 3:** Change in employment by industry and gender the UK, 1971-1993

<table>
<thead>
<tr>
<th>Industry/Field</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary and utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution, transport etc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business &amp; miscellaneous</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-marketed services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: *Lindley and Wilson, 1994; Court, 2005*

**Figure 4:** Total employment in Manchester, Greater Manchester and England by sex and type, 1971-1997

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total part-time (PT)</td>
<td>16</td>
<td>26</td>
<td>15</td>
<td>28</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td>Total full-time (FT)</td>
<td>84</td>
<td>74</td>
<td>85</td>
<td>72</td>
<td>84</td>
<td>72</td>
</tr>
<tr>
<td>Female PT</td>
<td>13</td>
<td>20</td>
<td>13</td>
<td>22</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Female FT</td>
<td>28</td>
<td>31</td>
<td>27</td>
<td>28</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Male PT</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>6</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Male FT</td>
<td>56</td>
<td>43</td>
<td>58</td>
<td>44</td>
<td>59</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: *Giordano and Twomey, 2002; ONS, 1971; 1981; 2001*
The decline of employment in the manufacturing sector in Greater Manchester was part of a wider process of deindustrialisation which impacted many Western economies from the 1960s onwards (Martin and Rowthorn, 1986) and which led to a ‘new international division of labour’ emerging. There are several contested explanations of why this process of deindustrialisation occurred. Conventional accounts suggest that the process was primarily the result of capitalist firms making use of improved technology which allowed the offshoring of production to countries in the Global South where lower total factor costs could be achieved. This offshoring was aided due to nation-states in the Global South being able to provide an abundant supply of cheap, disciplined workers (Frobel et al, 1980).

This understanding of deindustrialisation and the emergence of a NIDL is limited as it focuses excessively on internal factors within the sphere of production and
ignores the totality of capitalism as a fundamentally global system of accumulation. Other explanations of deindustrialisation focus exclusively on the so-called ‘profit squeeze’ caused by increased class conflict in Western capitalist countries, itself due to a diminishing reserve army of labour which was no longer able to act as a depressant on labour-costs (Glynn & Sutcliffe, 1972; Arrighi, 1978). This neo-Ricardian approach is limited as it focuses exclusively on the sphere of exchange and ignores the interplay between production, distribution, and exchange in capitalist accumulation (Jenkins, 1984: 41). In order to fully understand the underlying processes shaping the NID it is necessary to conceive capitalism as a global system which is mediated through political and economic institutions which are themselves fetishized forms of capitalist social relations (Marx, [1867] 1990: 124-63). Capitalism is a global system of production in which relative surplus value is produced globally and which is mediated through national territories governed by states, as well as through distinct individual capitalist firms. Any explanation of deindustrialisation which focus primarily on either: individual capitalist firms seeking to lower production costs, or rising wages are to some extent institutionalist and methodologically nationalistic. These types of explanations perceive deindustrialisation being driven primarily by the action of individual firms and individual states which are understood as autonomous actors that can attract capital independently of factors such as prevailing global capitalist imperatives and domestic class conflict (Jenkins, 1984: 39; Starosta, 2016: 104-6). Instead, changes in capitalist production are more appropriately understood in terms of changes in the relation between capital and labour which occurs through the spheres of production, distribution, and exchange. More specifically, it is important to understand how the productivity of abstract social labour is concretely expressed in differentiated ways in:

38 Similarly, mainstream accounts also fail to take into consideration and adequately explain the dynamism of capitalist production in which geographical regions which were once predominantly sites of low-value production become sites of high-value production, for example ‘Asian Tiger’ economies (Starosta, 2008).
differing spatial regions, economic sectors, and occupational distributions. These outcomes are *mediated* by political and economic actors but they are ultimately determined by the necessity of capital to self-valorise and generate relative surplus value on a global scale.
Table 1: Long-term employment shifts in Greater Manchester (GM), by sector (% of total employment*)

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Utilities, Construction, and Transport</th>
<th>Consumer Services**</th>
<th>Business Services</th>
<th>Public Services</th>
<th>Total employment (in listed sectors)</th>
<th>Total Population of GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1841</td>
<td>10,131</td>
<td>5,088</td>
<td>165,689 (64.3)</td>
<td>22,323</td>
<td>42,475 (16.5)</td>
<td>7,386 (2.8)</td>
<td>4,586</td>
<td>257,678</td>
<td>870,749</td>
</tr>
<tr>
<td>1861</td>
<td>26,809</td>
<td>18,466</td>
<td>280,264 (58.8)</td>
<td>46,921</td>
<td>82,197 (17.3)</td>
<td>13,633 (2.9)</td>
<td>8,193</td>
<td>476,483</td>
<td>1,232,562</td>
</tr>
<tr>
<td>1881</td>
<td>17,134</td>
<td>43,129</td>
<td>441,988 (55.8)</td>
<td>88,649</td>
<td>148,827 (18.8)</td>
<td>32,859 (4.1)</td>
<td>19,840</td>
<td>792,426</td>
<td>1,866,274</td>
</tr>
<tr>
<td>1911</td>
<td>23,327</td>
<td>59,657</td>
<td>694,822 (53.3)</td>
<td>173,053</td>
<td>240,754 (18.5)</td>
<td>67,825 (5.2)</td>
<td>44,091</td>
<td>1,303,529</td>
<td>2,617,248</td>
</tr>
<tr>
<td>1931</td>
<td>13,093</td>
<td>53,529</td>
<td>636,525 (51.9)</td>
<td>136,023</td>
<td>279,396 (22.8)</td>
<td>32,881 (2.6)</td>
<td>73,983</td>
<td>1,225,430</td>
<td>2,706,596</td>
</tr>
<tr>
<td>1951</td>
<td>8,747</td>
<td>35,541</td>
<td>717,460 (53.1)</td>
<td>168,218</td>
<td>277,289 (20.5)</td>
<td>37,809 (2.8)</td>
<td>104,953</td>
<td>1,350,017</td>
<td>2,688,139</td>
</tr>
<tr>
<td>1971</td>
<td>11,670</td>
<td>6,394</td>
<td>473,213 (41)</td>
<td>167,087</td>
<td>244,908 (21.2)</td>
<td>79,034 (6.9)</td>
<td>171,079</td>
<td>1,153,385</td>
<td>2,709,027</td>
</tr>
<tr>
<td>1991</td>
<td>4,357</td>
<td>1,613</td>
<td>250,019 (24)</td>
<td>158,233</td>
<td>256,939 (24.7)</td>
<td>146,812 (14.1)</td>
<td>222,118</td>
<td>1,040,091</td>
<td>2,490,435</td>
</tr>
<tr>
<td>2011</td>
<td>1,428</td>
<td>477</td>
<td>112,535 (9)</td>
<td>175,464</td>
<td>335,001 (26.9)</td>
<td>258,619 (20.8)</td>
<td>359,694</td>
<td>1,243,218</td>
<td>2,682,528</td>
</tr>
</tbody>
</table>

Source: GB Historical GIS/University of Portsmouth; UK Census 2011; author’s own calculations

*Percentages may not sum due to rounding.

**Includes retail, hospitality, personal services, and other sectors of the economy which cater to consumer spending
2.2 The mediation of capitalist social relations through political and economic actors in Greater Manchester

A central feature of labour markets in the UK prior to cries of capitalism in the early 1970s was the commitment to full-male employment by the British state. This outcome was achieved through an uneasy, often antagonistic settlement between: state managers, private employers in certain sectors of the economy, and elements of the organised labour movement. This commitment limited the scope of class-conflict in the UK in the post-war period. The post-war period did however witness the closures of mines (O’Donnell, 1988), railways (Gourvish and Blake, 1986), as well as steel mills and related industries (Fine and Harris, 1985). These changes in Britain’s economy foreshadowed and contributed to the crises of the 1970s, which were crises of capitalist production and exchange that limited the scope for cooperation between the state, employers, and organised labour. The causes of these changes stem from changes in how the abstract social labour is constituted, as changes in Greater Manchester demonstrate.
Greater Manchester in the 1980s experienced rising rates of unemployment. This growth in unemployment can be conceptualised in a classical Marxist sense as leading to an increase in the relative surplus population, or ‘reserve army of labour’ (Marx, 1867 [1990]: 781) which exerted a downward pressure on the value of labour-power, which concretely manifested in the form of wages (but was not or reducible to wages). It is not however the case that deindustrialisation occurred, unemployment rose and resultantly labour-power was devalued; this explanation abstracts from other factors impacting upon capitalist production in Greater Manchester. Whilst there has been a stagnation of real-wages in Greater Manchester in recent decades (Postone, 2007; OECD, 2015) which has potentially benefitted capitalist accumulation by lowering the labour-costs of commodity production, there has also been: increased competition between new and existing producers, expansion of new markets, reduction of constant capital, and attempts by individual capitals to socialise the costs of accumulation via the capitalist state. Increases in competition and the emergence of new markets are evident in the economic and employment growth in new and existing sectors such as: business services, retail and hospitality and personal services such as care, delivery, and cleaning. These sectors have a business model based on low-cost production with low levels of technological investment; this may imply a lowering of levels of constant capital in these sectors. Furthermore, the tendency towards low levels of constant capital may mean there is not an increasing technical composition of capital (TCC)\textsuperscript{39}. The lack of increases in the TCC may mean that productivity increases, if existing at all, are coming from the intensification of the labour process, in particular through the ‘sweating’ of labour and the production of absolute surplus value (the labour process for young workers in Greater Manchester is explored in Chapter 6). In the sphere of exchange, maintaining levels of profitability may result in part from socialising

\textsuperscript{39} The relationship between the TCC, VCC, and OCC is explained in Chapter 1 of this thesis.
the cost of accumulation, for example through: state subsidies including tax-breaks, wage-subsidies to the labour force (such as UK tax-credits), and other financial implements to aid accumulation.

2.3 Changes in the productive capacities of labour in Greater Manchester

The ratio of constant to variable capital in production is important when understanding the changes in capitalist accumulation in Greater Manchester. It is also important to have an understanding of the productive capacities of abstract social labour which is concretely expressed in Greater Manchester’s labour force, and how these productive capacities are used to generate surplus value. Prior to the onset of deindustrialisation, manufacturing in Greater Manchester was a major employer and— in spite of its technological deficiencies relative to foreign competitors (MacInnes, 1987; O’Mahoney, 1993) – the sector was characterised by usage of relatively complex engineering technologies, procedures and processes. These required a skilled labour force which had to be constantly reproduced, such as through training programmes and apprenticeships for young workers (Clements, 1958; Vickerstaff, 2003). Deindustrialisation led to a decline in this form of capitalist accumulation and meant the technical composition of capital declined in capitalist accumulation in Greater Manchester.

The antagonistic, class-based nature of social relations were evident in the British state’s response to high levels of unemployment caused by deindustrialisation in Greater Manchester in the 1980s. State managers from the period have publicly declared that policies which prioritised controlling inflation - and which were demonstrated to be causing increased unemployment - were likely part of a deliberate attempt to increase the size of the reserve army of labour and weaken the trade union movement (Eaton, 2010). Alongside attacks on organised labour
there were also attempts by state managers to develop new forms of capitalist accumulation in Greater Manchester by promoting the growth of service sector employment. This intent was expressed through urban development corporations and related local economic policies (which are explored in more detail in Chapter 5). The emergence of these new forms of accumulation would not have been possible if there had not been a labour force which had been devalued through processes of structural unemployment, rising prices, and attacks on collective organisation which meant that it could be cheaply employed in these new sectors (Gamble, 1988; 2009).

A related aspect of this strategy of developing new forms of capitalist accumulation by the state was the attempt to try and reconfigure the productive capacities of labour to make it more suited to new forms of employment; this was expressed in education, training, and welfare state policies. As Gough (2003) notes:

‘overall, for non-skilled workers there was a systematic failure to reproduce the capital-labour relation in a form adequate for accumulation, a failure spanning the work process, the employment relation, attitudes to work transmitted in social life and students attitudes to education. The interrelation of these processes made them particularly intractable for capital...in the late 1980s and 1990s, an enormous social engineering programme was developed to address this problem, encompassing school-business links, the national school curriculum, welfare-to-work polices, and community employment and ‘enterprise’ initiatives’ (2003: 132-146).

These concrete policy undertakings can only be fully understood when they are related to the concept of abstract social labour. What occurred in Greater Manchester in the 1980s and 1990s was in effect the beginnings of a process which attempted to reshape the productive capacities of the labour force so that it
would be better able to provide a source of variable capital to new forms of capitalist accumulation which were developing across the Greater Manchester. The service sector employment which was growing in Greater Manchester required labour with different abilities and characteristics to those which were prevalent when the manufacturing sector was the main employer. These characteristics included: the ability to use new forms of information and computational technology necessary for the emergence of business services, as well as possession of a more general set of ‘soft skills’, including maths, English, and inter-personal skills (Andrews and Higson, 2008). The development of these skills and characteristics by local employers in Greater Manchester is charted in Chapter 6.

The actions of the British state and private employers in Greater Manchester from the period of the 1980s onwards can be better understood once situated in relation to tendencies of capitalist accumulation. A central tendency is the process by which capital seeks to re-equip individual private labour for new forms of accumulation: this can manifest in the upskilling of labour for more advanced production. It is also evident in the degradation of labour so it can be used in simpler, less advanced production. In Greater Manchester there is evidence of both these tendencies: there have been attempts by state actors to upskill the workforce, which have been complemented by the expansion and marketisation of higher education in the UK (Hayes, 2006; Molesworth et al., 2009). Attempts to upskill workers in Greater Manchester have been part of national-level processes to improve the productive capacities of British labour through market-led means of expanding access to further and higher education (which have themselves become commodified) and expansion of market-led training and skilling programmes (Nunn, 2008; 2010). Under this strategy there has been little coordination between private sector employers over training and skills development. The outcome of this uncoordinated strategy has been an increase
in skilled, qualified labour which is unable to be effectively utilised by individual private capitals. Running counter to this tendency are efforts by political and economic actors to engage latent, stagnant, or floating surplus labour in low-wage sectors of the economy in order to increase labour supply with the perceived aim of lowering the cost of labour-power (Foster et al., 2011). There is now a tendency in certain sectors of Greater Manchester’s local labour market – for example business services - for local employers to favour business strategies which pursue profits by hiring high volumes of workers and putting them to work in order simple, repetitive tasks e.g. making or answering phone calls in call-centres (Woodcock, 2016). Productivity increases in this type of workplace are more likely to come from extending or intensifying the working day (as empirical data in Chapter 6 illustrates) rather than through technological innovation. Local state policies contribute to this accumulation strategy, and are detailed in Chapter 5. The implications of this form of accumulation for the sectoral and occupational composition of Greater Manchester’s labour market are demonstrated in Section 3 of this chapter.

The local labour market outcomes which exist in Greater Manchester are not natural, nor are they the inevitable result of processes of capitalist accumulation. Capitalist tendencies are ever present, but the manner in which they congeal in society is dependent on the way in which they are mediated through political and economic actors. Crucially, the form which these political and economic actors take and their actions are shaped by class struggle, which occurs in: workplaces, labour markets, and across the whole range of economic and political institutions which have been created by capitalist society to mediate capitalism. It must also be reiterated that there are various forms of capitalist accumulation in Greater Manchester which are mediated by the actions of the local state, local employers, and other labour market actors (such as trade unions). Low-waged service sector employment is dominant, although there are other capitalist processes occurring
alongside it. As well as growth in low-wage sectors there has also been some expansion of high-productivity sectors – notably advanced manufacturing, health sciences, and digital (New Economy, 2015a). The main focus of this thesis is not inter-sector competition, although evidence is provided in Chapter 6 which indicates that low-wage sectors are crowding out other sectors which may offer the possibility of high-quality jobs. Local state actors in Greater Manchester have nevertheless promoted the development of these sectors; the specifics of which are also explored in Chapter 6.

The inability of organised labour to operate in the same manner as it did in earlier decades, due to a combination of economic change and political restriction, is also important in understanding the changes which have occurred in Greater Manchester. In Greater Manchester, this is evident in low levels of trade union membership amongst young workers, and a pessimism amongst trade unionists, due in part to their exclusion from participation in local economic governance institutions (the position of trade unions in Greater Manchester is also explored in more detail in Chapters 5 and 6, as well as in Section 3.6, below).

3. The contemporary labour market for young workers in Greater Manchester

Historical changes in capitalist accumulation in Greater Manchester have led to significant changes in the sectoral and occupational composition of Greater Manchester, impacting: wages, skills acquisition, opportunities for career progression, and employment security. This section analyses how these trends have affected Greater Manchester at the general level of the labour market (Table 3 provides an overview of some key statistics about Greater Manchester’s labour market and contrasts it with the UK). Since the 1970s Greater Manchester has
experienced an ongoing, contested process of neoliberalisation as state actors and individual capitals have engaged in various strategies with the aim of renewing and expanding capitalist accumulation within the locality. One outcome of neoliberalisation is a move to ‘sweating’ labour in low value-added forms of employment in the service sector, as will now be discussed.
<table>
<thead>
<tr>
<th>Table 3: Characteristics of young people in Greater Manchester and the UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Manchester (2017, unless otherwise stated)</td>
</tr>
<tr>
<td>Total population</td>
</tr>
<tr>
<td>16-64 year olds</td>
</tr>
<tr>
<td>16-24 year olds</td>
</tr>
<tr>
<td>18-24 year olds</td>
</tr>
<tr>
<td>16-24 year olds in full-time education (FTE)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>18-24 year olds in full time education (FTE)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Numbers of students in Further Education</td>
</tr>
<tr>
<td>Numbers of students in Higher Education (as of 2015–16)</td>
</tr>
<tr>
<td>16-24 year olds not in education</td>
</tr>
<tr>
<td>18-24 year olds in work</td>
</tr>
<tr>
<td>Number of apprentices</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total number of apprentices, all years – 60,000</td>
</tr>
<tr>
<td>18-24 Young people in neither employment, education or training</td>
</tr>
<tr>
<td>18-24 JSA claimants</td>
</tr>
<tr>
<td>18-24 unemployment rate</td>
</tr>
<tr>
<td>16-24 unemployment rate</td>
</tr>
</tbody>
</table>

Source: ONS Population estimates; Census 2011; NOMIS; ONS, 2014a; 2014b; 2015; 2016; 2017; New Economy, 2014a; 2014b; 2014c; 2016; Eurostat; Author’s own calculations
3.1. The sectoral composition of Greater Manchester

Table 3 demonstrates the current sectoral composition of Greater Manchester’s labour market. The three largest sectors of the economy in terms of employment for both young and all-age workers are: wholesale and retail (including motor trades) (40.6%); public administration, education and health (17.9%), and; financial and other business services (15.9%). The sectoral composition of Greater Manchester’s labour market has changed over time in such a way that there has been a significant increase in the amount of employment in the service sector and a decline in the employment in manufacturing (see table 5).

In the period between 1994-5 and 2014-5 the proportion of employees in Greater Manchester working in the manufacturing sector continued to decline, falling by 12.8%, to 8.8% of total employment. In the same period employment in the service industries grew by 16.5% as a percentage of total employment, rising to 85.9%. This decline in manufacturing is relevant to understanding the current conditions of young workers as it was in manufacturing where young people had ‘sheltered’ entry points to employment and could progress through defined internal labour markets. Existing research on internal labour markets in the service sector shows this to be less common; there are greater incidences of flattened, ‘horizontal’ labour markets in service sector employment which provide reduced opportunities for young people (Huddleston, 2011; Roberts, 2011). Internal labour markets for young workers in Greater Manchester are explored in more detail in Chapter 6.

Evidence of sectoral shifts in Greater Manchester’s labour market is by itself insufficient to understand how young workers have been materially affected. Changes in the sectoral composition of the labour market have led to changes in
the: occupational distribution, skills and training provision, wages-levels, and job security. The must also be understood in order to examine their impact on young workers in Greater Manchester. Each of these will now be discussed.

Table 4: Employment of 16-24 year old and all-age workers in Greater Manchester, by sector

<table>
<thead>
<tr>
<th>Employee Jobs By Sector</th>
<th>Employees aged 16-24 in Greater Manchester (%)</th>
<th>All-age employment in Greater Manchester</th>
<th>Greater Manchester (%)</th>
<th>North West Region of Great Britain (%)</th>
<th>GB (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employee Jobs</td>
<td>167,233 (100)</td>
<td>1,196,900</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Primary Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture and Mining</td>
<td>2,005 (1.1)</td>
<td>500</td>
<td>0.0</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Energy And Water</td>
<td></td>
<td>12,800</td>
<td>1.1</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8,808 (5.3)</td>
<td>104,700</td>
<td>8.8</td>
<td>10.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Construction</td>
<td>11,031 (6.6)</td>
<td>50,400</td>
<td>4.2</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Wholesale And Retail,</td>
<td>67,979* (40.6)</td>
<td>190,800</td>
<td>15.9</td>
<td>16.2</td>
<td>15.9</td>
</tr>
<tr>
<td>Including Motor Trades</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport Storage</td>
<td>8,772** (5.3)</td>
<td>57,400</td>
<td>4.8</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Accommodation And Food Services</td>
<td></td>
<td>75,300</td>
<td>6.3</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Information And Communication</td>
<td></td>
<td>37,800</td>
<td>3.2</td>
<td>2.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Financial And Other Business Services</td>
<td>26,492 (15.9)</td>
<td>288,800</td>
<td>24.1</td>
<td>20.5</td>
<td>22.2</td>
</tr>
<tr>
<td>Public Admin, Education And Health</td>
<td>29,921 (17.9)</td>
<td>326,100</td>
<td>27.2</td>
<td>28.5</td>
<td>27.4</td>
</tr>
<tr>
<td>Other Services</td>
<td>12,225 (7.3)</td>
<td>52,400</td>
<td>4.4</td>
<td>4.5</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Source: UK Census 2011; ONS business register and employment survey (BRES); author’s own calculations

Notes:
*This figure includes accommodation and food services workers.
**This figure includes information and communication workers.
3.2. Occupational distribution in Greater Manchester

Table 5 demonstrates occupational distribution in Greater Manchester amongst 16-24 year olds, and all-age workers. The data shows 16-24 year olds are nearly twice as likely to be employed in elementary occupations as all-age workers, and young workers make up 22% of the workforce in elementary occupations. Additionally, young workers are nearly 2.5 times as likely to be employed in sales and customer service occupations as all-age workers, and make up 33% of this occupational workforce. In the period 2001-11 there was a 1% reduction in the numbers of young workers employed in the top three occupational categories, alongside a 2% rise in numbers of young workers employed in the lowest occupational category. Young workers were also 50% less likely to be employed as process, plant and machine operatives than all-age workers, highlighting the fact that these occupations are more commonly held by older workers.

3.3. Job Security

Occupational shifts have meant shifts in the nature of work for young workers. A growth in retail and hospitality, and service work more generally, has led to changes in employment stability for young workers. In Greater Manchester there have been decreases in employment security over the last two decades, alongside increase in fixed-term, temporary, and zero-hours employment (Blossfeld et al., 2008; Kelliher & Anderson, 2008; 2010). There have also been increases in part-time work, and self-employment. These trends have grown to meet the business needs of retail and hospitality, which does not follow the 9-5 work pattern. TUC research has demonstrated that 80.6% of agency workers aged 20-24 work in agency jobs because they cannot find a full-time job; this figure is the highest of
any age cohort (TUC, 2014). Workers aged 20-24 are more likely than any other age cohort to be employed on zero-hours contracts, as temporary workers, or as agency workers. Young workers comprise 25.5% of zero-hour contracts, 18.7% of agency workers and 20.2% of temporary workers (TUC, 2014). In Greater Manchester there have been large increases in the amount of non-standard work. Full-time employment has increased by 1.7% in Greater Manchester since the 2007 financial crisis. Self-employment, by contrast, has grown by 32%. Flexible employment by has grown by 23% and part-time employment by 12% (New Economy, 2016a: 18). Although these figures are for all-age workers the evidence from the TUC report cited above shows that younger workers are most likely to be in this type of non-standard employment.

One of the main reasons why there has been this growth of non-standard employment in Greater Manchester is the growth of a business model amongst service sector employers which relies upon the increased flexibility of labour, both in terms of the labour process and in terms of the employment contract itself. In the labour process there has been a rise in shift work and other non-standard working practices. Employees may benefit from flexible working, but if employees do not have workplace voice or the ability to freely refuse such work the outcome can be increasingly coercive working practices and intensification of work (Kelliher and Anderson, 2010). Labour process flexibility is often coupled with an employment relationship in which workers are often perceived as short-term liabilities, rather than longer-term assets to be invested in. Evidence of this flexibility in Greater Manchester is illustrated in the growth of temporary staffing agencies (TSAs) which are partly responsible for downward price competition on wages as different TSAs compete in terms of how cheaply they can provide temporary staff to employers (Ward, 2005). TSAs do not need a license to operate and as such are growing in numbers in Greater Manchester; this can have detrimental impacts for training opportunities for young workers as the
purpose of TSAs purpose is to provide job-ready workers, rather than participate in skills provision.

3.4. Wages

Assuming a 37-hour working week, the median hourly wage in Greater Manchester is £10.80; this is lower than the UK national average of £11.54 (ASHE, 2014; AMBS, 2016). As the youth wage-discount in the UK is 60% then it is possible to approximate a median hourly wage for young workers in Greater Manchester of £6.48. The average salary in Greater Manchester for young and all-workers can therefore be approximated to be £11,508 and £19,180, respectively. There are five sectors with levels of productivity lower than £30,000 per job in Greater Manchester and these ‘correspond with the lowest paying sectors… [which]…account for a growing share of jobs. In 2000 they represented 35% of employment. By 2014 the proportion was 40%’ (New Economy, 2016a). The five elementary sectors are: hospitality, retail, accommodation, cleaning, and residential care. Sales and customer services occupations are predominantly found in the retail sector, which has an average weekly wage of £344. This weekly average is significantly lower than for employment in the public sector (£504), finance and business services (£635), or for the service sector in general (£488) (ONS, 2017). In all of these sectors young workers are affected negatively by age-stratified national minimum wage rates which institutionalise lawful discrimination based on age.

UK national accounts demonstrate that since 1982 the wages share of national income has been less than 56% whereas in the 1970s it rose as high as 61% of national income (OECD, 2015). The wage share includes both wages and non-wage benefits such as pensions and national insurance contributions. These
inclusions are important as they are part of the cost of social reproduction of the labour force\textsuperscript{40}. For capital the motive to devalue labour-costs is to increase profits. One outcome of declining a declining wage share in Greater Manchester is an increased debt burden amongst labour as it attempts to maintain its prevailing material conditions. Levels of individual indebtedness in Greater Manchester are the third highest of any location in the UK; 41.1\% of Manchester residents are over-indebted, 21\% of these are aged 18-25 (MAS, 2013).

Real wages have been falling in the UK since 2002-3. Prior to this growth for the bottom ten percentile has been sluggish and has been compounded by the growth in inequality throughout the 1980s and 1990s (Bell and Blanchflower, 2011; Gregg & Machin, 2012). Young workers have been affected by this sluggish wage growth, which has been exacerbated by the introduction of the National Living Wage (NLW) (£7.50, as of 2017), which is only payable to those aged 25 and over\textsuperscript{41}. The introduction of a NLW means that a single, 25 year old without children working full-time at the wage floor will have experienced a gross increase in earning between 2008 and 2016 of £1,270 (Resolution Foundation, 2017). The NLW effectively acts as a further age-based stratification of the NMW, whose introduction serves to further divide labour. Existing research by the Low Pay Commission (2016) has suggested that the NLW may lead the substitution of younger workers for those aged over 25 (2016: 99-124), highlighting the devaluing effects the NMW and NLW may have on the value of youth labour-power.

\textsuperscript{40} Pensions are an area in which there is growing generation inequality, as young workers increasingly have to pay higher contributions during their working lives to fund the pensions of older generations, whose pensions are often of a higher value than those of younger workers (Green, 2017: 84).

\textsuperscript{41} The NMW is £7.05 for those aged 21-24, £5.60 for ages 18-20 and £4.05 for under-18s.
Table 5: Occupations of 16-24 year olds in Greater Manchester, 2001-2011

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Age 16 and over in each occupation</th>
<th>Age 16 to 24 occupation</th>
<th>Percentage of 16 and over in each occupation (%)</th>
<th>Percentage of 16 - 24 who work in each occupation (%)</th>
<th>Percentage of each occupation made up by 16 -24 year olds</th>
<th>Change since 2001 of percentage of each occupation made up by 16-24 year olds</th>
</tr>
</thead>
<tbody>
<tr>
<td>All categories</td>
<td>1,223,865</td>
<td>167,233</td>
<td>100%</td>
<td>100%</td>
<td>14%</td>
<td>-1</td>
</tr>
<tr>
<td>1. Managers, directors and senior officials</td>
<td>115,717</td>
<td>5,611</td>
<td>9%</td>
<td>3%</td>
<td>5%</td>
<td>-1</td>
</tr>
<tr>
<td>2. Professional occupations</td>
<td>202,432</td>
<td>11,640</td>
<td>17%</td>
<td>7%</td>
<td>6%</td>
<td>-1</td>
</tr>
<tr>
<td>3. Associate professional and technical occupations</td>
<td>146,373</td>
<td>16,246</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
<td>-1</td>
</tr>
<tr>
<td>4. Administrative and secretarial occupations</td>
<td>146,473</td>
<td>18,749</td>
<td>12%</td>
<td>11%</td>
<td>13%</td>
<td>-2</td>
</tr>
<tr>
<td>5. Skilled trades occupations</td>
<td>129,634</td>
<td>16,432</td>
<td>11%</td>
<td>10%</td>
<td>13%</td>
<td>-1</td>
</tr>
<tr>
<td>6. Caring, leisure and other service occupations</td>
<td>119,786</td>
<td>19,645</td>
<td>10%</td>
<td>11%</td>
<td>16%</td>
<td>-1</td>
</tr>
<tr>
<td>7. Sales and customer service occupations</td>
<td>122,012</td>
<td>40,415</td>
<td>10%</td>
<td>24%</td>
<td>33%</td>
<td>0</td>
</tr>
<tr>
<td>8. Process, plant and machine operatives</td>
<td>97,547</td>
<td>6,160</td>
<td>8%</td>
<td>4%</td>
<td>6%</td>
<td>-3</td>
</tr>
<tr>
<td>9. Elementary occupations</td>
<td>143,891</td>
<td>32,335</td>
<td>12%</td>
<td>19%</td>
<td>22%</td>
<td>+2</td>
</tr>
</tbody>
</table>

Source: UK Census 2001; UK Census 2011
3.5. Education, skills, and training for young people in Greater Manchester

Neoliberalisation has impacted the provision of higher education and VET provision, leading to costs being individualised and borne by young people themselves. Educational services have been privatised and markets for education and training have been created. Evidence of this can be found in Greater Manchester, where there are four higher educational institutions. All of these institutions have embraced neoliberal reforms and charge the maximum possible tuition fees to students. All of these institutions – partially due to pressures from some students who demand ‘value for money’ from their degree (the Guardian, 2015) – claim to be able to make students more ‘employable’ in order to improve labour market performance (Boden and Nevada, 2010). This tendency in higher educational institutions is part of a broad move towards viewing education as an instrumental commodity which serves no purpose other than helping the recipient of the education achieve a better position in the labour market. It is an example of how human capital theories have become common in higher education and how the provision of higher education has become marketised. One sentiment which was expressed by a prominent local figure was how young people ought to spend more time focusing on their employability whilst still at university, as labour markets were now more competitive:

‘[undergraduates] need to be thinking about their future before [they] come to university....so when [they] come to fresher’s fair they go to stalls that can deliver [their] potential, [their] employability, [their] communication skills...and [they] should be doing voluntary work... whatever [they] do, in the first term, [they need...

42 The Universities of Manchester, Salford, Bolton, and Manchester Metropolitan University. These four universities have around 100,000 students enrolled in total. Greater Manchester is also home to students from other universities, bringing the total number of students in higher education in Greater Manchester to over 110,000.
to] hit the ground running [as they’re] competing with people who have done more....[there are problems of] entitlement amongst young people in the UK...there is the also the [challenge of the] internationalisation of the graduate market’ (Director of Economic Strategy, Local University, January, 2016).

These comments fail to take into consideration that many students do not have the material capacity to undertake unpaid internships whilst studying. Large numbers of students engage in paid work whilst at university: 45% of students work part-time whilst studying, and a further 13% work full-time (Gil, 2014)43. This statement highlights the emphasis universities place on employability and how the intrinsic goals of education are being side-lined as universities are judged more by how many of their graduates enter ‘graduate employment’. This view is confirmed by comments from a senior figure at a local university: ‘[young people’s] time at university is a lot of things...but increasingly it's a vehicle to get them a good job at the end of it’ (Head of Careers Service, Local University, January 2016).

Young people who do not wish to attend higher education must still remain in education or training as a result of the raising of the participation-age for young people in England to 18 in 2015. This strategy is part of the government’s desire to up-skill the UK workforce to improve the UK’s position in the NIDL. It was for this reason the government sought to increase the number of apprenticeships to three million by 2020 (BIS, 2015). Whilst apprenticeships can provide quality work-based training which leads into decent employment there is also evidence of apprenticeships which are in low-paying sectors and which do not offer opportunities for development. In Greater Manchester the largest sectors which recruit apprenticeships are customer services, and business administration (New

43 Whilst this part-time and full-time work may subsequently benefit students in labour markets it is usually the case that students work out of financial necessity; students who work tend to be from lower socio-economic backgrounds. Students from higher socio-economic backgrounds are more likely to receive familial financial support which enables them to engage in unpaid volunteering and internships, which gives them greater opportunities to access higher level graduate jobs, thereby reproducing class inequalities for another generation.
Economy, 2014a: 35-45) There is also a problem that provision of apprenticeships in the UK exists within the UK’s largely voluntarist, individualised, skills system, which is becoming increasingly marketised due to the entry of for-profit providers. This tendency is highlighted in interview data from one business owner, who stated: ‘I’m contacted almost daily by companies seeing if I have any vacancies for apprentices. They’re contacting me because they make money from every one they place...I think that the [apprenticeship training] system will end up resembling the recruitment agency market before long, in terms of the numbers of [for-profit] providers.’ (Co-Founder, Socrates Technology, April 2016). The provision of apprenticeships in Greater Manchester is explored in more detail in Chapter 5.

3.6 Trade Unions in Greater Manchester

Trade unions operate across Greater Manchester and there continues to be a strong tradition of trade unionism which stems from the city’s industrial legacy and history of political radicalism44. Most major trade unions have offices in the city, and USDAW is headquartered in Greater Manchester. There have also been attempts to coordinate trade union activities via the Greater Manchester Association of Trades Union Council (GMATUC). There do not appear to be above average levels of trade union membership or militancy in Greater Manchester; one trade unionist interviewed commented that ‘Manchester is just like everywhere else in the UK’ (Trade Union Representative, Trade Union 1, May 2016). Whilst some of the trade unionists interviewed highlighted campaigns they had run which specifically targeted young workers (Trade Union Organiser, Trade Union 1, June 2016) there does not seem to be a specific focus

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44 Greater Manchester was a centre of the Chartist movement and the site where the TUC held its first meeting in 1868. Greater Manchester also experienced radicalism in local government in the 1970s and 1980s.
on young workers by trade unions in Greater Manchester. This lack of focus is partially due to young workers being disproportionately employed in sectors such as retail and hospitality, and business services, which have proved hard for trade unions to access and organise within. There have been attempts in recent years by some of the larger British trade unions to try and counter under-representation of young workers through campaigns which are particularly relevant to younger workers in the workplace, such as on issues of low-pay and insecure conditions. These campaigns are generally on a national level and there was no evidence found of these campaigns in any of the businesses which were studied for this research; this is discussed in more detail in Chapter 6.

4. Discussion and conclusion

There are limits to the form of capitalist accumulation which has developed in Greater Manchester. At the most abstract level capitalist accumulation has shifted toward the increased generation of surplus value through the intensification of work, made possible by the existence of a young labour force which has been historically devalued. In Greater Manchester this shift has been concretely manifest in the growth of private, service sector employment which has been facilitated by a supportive state which has re-regulated the economy and labour market. There are three aspects of this shift which are problematic for young workers.

Firstly, the shift promotes business strategies which are limited in their ability to create and sustain high-quality jobs for young workers. This is illustrated by the increase in low-wage, elementary level occupations and is part of a low-road approach to profitability. This model of capitalist accumulation is dominant in Greater Manchester, and continues to grow in terms of numbers of people
employed in service sectors. The privatisation and marketisation of education and training provision for young workers has also contributed to the development of this type of labour market. Formerly, employers would provide training in-house, but this is now less evident (UKCES, 2015). Furthermore, the coordination of VET provision which was facilitated by cooperation between capital, the state, and labour has all but disappeared, leading to recurrent skills shortages which can also contribute to employers pursuing low-road profitability strategies. A major factor contributing to employers’ low-road profitability strategies is the lack of any industrial strategy from the state to promote higher productivity alternatives which would necessitate coordinating different branches of the economy, notably finance, manufacturing, services, and VET providers.

Secondly, this shift in accumulation is supported by a state which can only ever oscillate between managing different aspects of the contradictory outcomes of capitalist accumulation. The British state currently favours supporting capitalist realisation by seeking to drive down the value of labour-power via disciplinary strategies directed at young (and all-age) workers. This ‘authoritarian’ or ‘disciplinary’ neoliberalism (Gil, 1995; Bruff, 2014) manifests abstractly through the rule of value – as formerly non-market relations are marketised – and directly through punitive state action towards labour markets and workers. These policies take the form of: welfare state reforms which target young unemployed, such as cuts to benefits, and through more pressurised job search criteria. Young workers are also affected by: the stratification of NMW rates, the attacks on their ability to organise collectively, and the cuts (or imposition of fees) which have been made to other aspects of social reproduction, such as education and training. The ways in which these processes are implemented by the local state in Greater Manchester are explored in Chapter 5.

The third aspect of this shift which is problematic is that it is fundamentally crisis prone. The history of capitalism in Greater Manchester has been one of cycles in
investment, crisis, decline, and recomposition. These processes have been led by capital which engaged in rapid disinvestment when accumulation in Greater Manchester became unprofitable. The actions of capital led to crises of social reproduction which effect young (and all-age workers) through: increased unemployment, reduced wages, and reduced government spending.

The following chapters explore the material conditions of young workers in more detail by focusing on particular aspects of the relationship between young workers and capital. Chapter 5 examines the relationship between young workers and the local state, whilst Chapter 6 examines the relationship between young workers and local employers in Greater Manchester. The findings from these chapters will then be combined in an analytical chapter – Chapter 7 – before presenting a conclusion to the research in Chapter 8.
Chapter 5 – The impact of the local state on working conditions for young workers in Greater Manchester

Introduction

This chapter aims to answer the question: what is the relationship between young workers and the local state in Greater Manchester? This question is addressed by examining how the composition of the local state and the behaviour of local state actors lead to particular local labour market outcomes which directly and indirectly affect young workers. Chapter 5 builds on Chapter 4, which examined how historical shifts in Greater Manchester’s political economy transformed the sectoral and occupational composition of Greater Manchester’s labour market. Chapter 4 abstracted from the role of the local state in Greater Manchester; Chapter 5 brings the local state into the analysis of young workers.

Chapter 5 is organised into four sections: Section 1 examines historical shifts in the composition of Greater Manchester’s local state and how these have led to the development of neoliberal governance institutions. Section 2 assesses the governance strategies of these local institutions, focusing specifically on the inter-linked aims of economic growth and labour market reforms. Section 3 critically explores labour market outcomes for young workers which result from these policies. Section 4 provides a discussion of findings and a conclusion. Chapter 5 is structured to articulate abstract concepts through empirical observation; it has a resultant narrative structure which explores; the form local governance takes in Greater Manchester, its actions, and the outcomes for young workers. Young workers are not directly focused on until Section 3 of this chapter because the immediate aim is to reveal the underlying processes occurring at the level of the local-state which shape their circumstances. The conditions of young workers in Greater Manchester have been portrayed in the Introduction to this thesis, which
detailed how labour markets for young workers are typified by: low-pay, lack of opportunities for skilling, training and progression, and irregular employment interwoven with periods of unemployment.

The findings presented in this chapter stem from interviews conducted with: local state officials and state managers, local employers, charities, trade unionists, and figures from the higher education sector. The narratives provided by these individuals offer a detailed account of the local state in Greater Manchester and reveal how local institutions directly and indirectly impact on work and employment conditions for young workers. Findings are also drawn from policy documents produced by local state actors. Chapter 5 develops previous chapters by offering explanations of why the actions of the local state may contribute to prevailing labour market conditions. It demonstrates the local state primarily impacts on young workers indirectly, through the outcomes of local economic strategies implemented by local state managers. There are few substantive, direct labour market interventions for young workers in Greater Manchester. Lack of substantive intervention is due to the neoliberal inclination of the local state, which is itself the outcome of a combination of historical factors, most crucially how the labour-state-capital relationship has changed.

Section 1 examines the historical development of neoliberalism in Greater Manchester, and draws upon theories laid-out in the literature, notably the tendency towards: uncoordinated economic growth, increased competitiveness through lowering of costs, increased disciplining of the labour force, and spatial fragmentation (Gough, 2002; 2004; 2013). Section 2 demonstrates the expansion of neoliberal governance through exploration of the development of inter-linked strategies of economic growth and labour market reform which influence working conditions for young workers. Section 3 offers a substantive analysis of the outcomes of governance strategies for young workers, examining the impact of skills and apprenticeship policies, strategies to tackle ‘worklessness’, and related
active labour market policies. It details the small scale and supply-side orientation of the majority of these interventions and how young workers within Greater Manchester are more affected by processes which are beyond the direct control of local state actors. This finding supports empirical findings which were presented in Chapter 4, and foreshadows findings and analysis in Chapters 6 and 7, respectively.

1. Neoliberal governance in Greater Manchester

This section lays out the historical shifts which have occurred within the local state and the resultant neoliberal form of local governance which predominates in Greater Manchester. These historical developments contribute to local labour market outcomes for young workers characterised by: limited regulation or co-ordination, low-wages, and limited training or opportunities for progression. Capitalist accumulation is inherently contradictory, and so are attempts to regulate its outcomes at the level of the local state. The local state in Greater Manchester currently gravitates towards favouring neoliberal management strategies which manifest in local state institutions and policy, detailed in sections 1.2 and 2, below.

Greater Manchester’s political economy in the post-war era was characterised by a buoyant local economy, due in part to a strong manufacturing sector which led to high levels of demand for labour – including entry-level positions for young workers. These labour market conditions were aided by a national state which invested locally, leading to sustained job creation in the public sector in Greater Manchester (including in local government itself). Local economic investment by the British state was one aspect of a prevailing political economy characterised
by: a commitment high levels of male employment, pro-active regulation of labour markets and an influential organised labour movement based in manufacturing and related sectors. This period of ‘embedded liberalism’ was supported by a commitment to macroeconomic policies which prioritised demand-management and allowed employment to remain high. The post-war period was also marked by the introduction of a comprehensive welfare system, which socialised many of the costs of social reproduction such as healthcare, and old-age pensions (Kirshner, 1999).

The systemic crises of capitalism which occurred in the early 1970s resulted in the emergence of a neoliberal regime in Britain, in which the power of labour was systematically attacked and undermined by capital. This process manifested in labour markets, workplaces, and in the labour process itself. Neoliberalism, or the processes of ‘neoliberalisation’, is fundamentally an abstract shift in capitalism which has occurred due to the limitations of capitalist production and exchange (Brenner et al., 2010a; Kliman, 2012; Harvey, 2014).45 The emergence of neoliberalism in Britain also demonstrated the shallowness of embedded liberalism which had prevailed in the post-war period. One manifestation of the shift towards neoliberalism is the growth of entrepreneurial urbanism at the local level and which has several features, notably: the constant pressures placed on local state managers to attract capital investment in order to promote local economic growth and development, the pressures to increase the profitability of already existing capital accumulation within a locality and, the restructuring of local governance to achieve these ends. The processes of institutional re-structuring which has occurred in Greater Manchester and its implications for young workers will now be discussed.

45 Neoliberalisation at the level of the local state is not reducible to entrepreneurial urbanism and the behaviour of local state actors. The distinctness of neoliberalism is only properly evident at a higher level of analytical abstraction, one which takes into consideration not only the state, but also the capital-labour relation which is expressed through the capitalist state-form. The underlying reasons for the emergence of neoliberalism are multi-faceted, as detailed in Chapter 1.
1.1. The historical development of a neoliberal governance regime

The governance of Greater Manchester is the result of historical processes of transformation. Central amongst these was the abolition in 1985 of the Greater Manchester County Council (GMCC) by central government. The actions of the GMCC were in opposition to the macroeconomic and social policies of British government of the 1980s and resultantly national government passed the Local Government Act of 1985, abolishing county councils nationwide (Deas & Ward, 2002). The dismantling of GMCC resulted in its powers being transferred to ten metropolitan borough councils. These councils formed the voluntary Association of Greater Manchester Authorities (AGMA) in 1986.

The abolition of the GMCC (along with the defeat of Labour by the Conservatives in the 1987 General Election) led to AGMA adopting a more conciliatory and pragmatic policy stance than its predecessor towards the national state and private capital (Peck & Ward, 2002). The late 1980s saw closer local government cooperation with central government in Greater Manchester; this process was evident in ‘urban development corporations’ which were established on Trafford Park in 1987 and Central Manchester in 1988 (Peck & Tickell, 1995; Deas et al. 2000). These bodies were controlled and administered by central government and aimed to promote growing private sector industry in Greater Manchester. Urban development corporations in Greater Manchester did not aim to renew the declining manufacturing sector (which was characterised by large, single-site

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46 All metropolitan county councils - such as Merseyside County Council, and the Greater London Council - were abolished by the Local Government Act 1985; this was largely due to their ostensibly radical, oppositional stance to the Conservative central government in office at the time. The GMCC was described as a ‘municipal socialist’ council which was hostile to working with either central government or private capital, and instead sought to engage in local economic development based on the promotion of cooperative enterprises (Quilley, 1999; 2000).

47 The policies of the British government during this period can be characterised as having a commitment to monetarist fiscal policies which prioritised controlling inflation over unemployment. A corollary of this strategy was high levels of unemployment which disproportionately affected Northern cities.

48 Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, and Wigan.
factories employing large numbers of men). Instead, they sought to promote and develop new sectors such as financial and business services, and the retail sector.\textsuperscript{49}

Changes in Greater Manchester’s local economy were also the outcome of changing economic priorities of private capital, which developed smaller-scale branch-plant manufacturing firms on Trafford Park. These branch-plants were situated in Greater Manchester because of its cheap land and labour costs. The result was such plants occupied a low position in the supply chain of firms and the production which occurred at them was low-value, and the labour process deskillled. Newly established manufacturing firms were often smaller in terms of total numbers employed than firms which formerly existed, and as such did not possess the same training schemes and well-developed internal labour markets. This absence meant diminished employment opportunities for young workers. The extent of this shift is evident from the comments of a charity specialising in helping unemployed workers around Trafford Park:

‘\textit{There used to always be jobs going at the factories here – there’s [photographs] of people queueing up to go into work that were taken in the 60s round here...even if you’d been a bad ‘un (sic) at school you’d probably be given a chance somewhere – [it] would be a foot in the door, if you know what I mean? That’s all gone now – there aren’t anywhere near as many jobs going round here...and a lot of the things they do with young people [such as apprenticeships]...are pretty poor}’ (Interview, manager, February 2016).

\textsuperscript{49} The promotion of the retail sector was in part due to the consumer credit boom of the 1980s (Deas et al., 2000: 6)
1.2. Post-2010 developments in local governance

Since 2010 AGMA has been progressively absorbed into the newly-created Greater Manchester Combined Authority (GMCA), which is headed by leaders of the ten metropolitan councils of Greater Manchester, and a directly-elected mayor of Greater Manchester. This shift in governance is an aspect of broader reforms which accompany the devolution of powers to Greater Manchester by central government50 (HM Treasury, 2014; HM Parliament, 2016). The GMCA possesses all of AGMA’s existing powers (detailed below) as well additional powers over: transport and infrastructure spending, health and social care spending, and some control over taxation. The growth of GMCA is part of an ongoing centralisation of powers in the executive branch of the local state as power in invested in directly-elected mayor and local council leaders. This centralisation contrasts with arrangements where legislative assemblies wield greater power. Executive centralisation can also result in greater control by the private sector, which is able to wield more influence over a smaller number of actors.51

Shifts in local government which began in the 1980s in Greater Manchester have led to development of a unique set of local governance institutions which play a central role in shaping the local economy. The three key organisations are the AGMA/GMCA, the Greater Manchester Local Enterprise Partnership (GMLEP), and the Manchester Growth Company (MGC). The GMLEP was established in 2011 and took over some of the functions of Regional Development Agencies

50 The 2011 Greater Manchester Devolution Agreement gives the GMCA greater oversight of £7 billion of central government funding, and in exchange Greater Manchester must become a net contributor to the British economy. This agreement has led to the GMCA agreeing to fill a £5 billion hole in revenues through spending cuts and increasing the amount of tax revenue raised (AGMA, 2013: 55).

51 Evidence of executive centralisation in Greater Manchester and how it can be easily influenced by the private sector can be found in analysis of Greater Manchester’s Training and Enterprise Council, which became largely subservient to the interests of individual employers during its existence, to the detriment of the local economy and workers in Greater Manchester (Peck and Tickell, 1995).
(RDAs) which were in the process of being disbanded due to a change of national government. According to its own literature, the GMLEP ‘sits at the heart’ of Greater Manchester’s governance arrangements and is jointly responsible for governance of the MGC, along with AGMA/GMCA (GMLEP, 2016: 1). The MCG was formed in 2014 and unified pre-existing companies and organisations which had been established by AGMA. The MGC group of companies is responsible for six areas of local economic development: strategy and research, marketing, business support and finance, organisation development services, skills, and employment (see Figure 6 for a visualisation of this provision). MGC’s origins and purpose, as stated in official documentation, is:

‘...to provide the GMCA and [GMLEP] with clear oversight [and] to leverage its combined commercial and strategic assets to the benefit of Greater Manchester’s economy to provide a holistic and integrated response to multiple economic objectives, set out in the Greater Manchester Strategy’ (GMCA, 2016).

Analysis of MGC’s structure reveals that the delivery of ‘holistic and integrated response to multiple economic objectives’ is realised through the MGC’s network of organisations and companies which are responsible for delivering Greater Manchester’s economic governance; their functions are briefly detailed below.
1.3 Manchester Growth Company

Strategic decisions pertaining to local economic development ultimately stem from AGMA and the GMLEP and are expressed through the MGC. Several major strategy documents have been produced in Greater Manchester which inform the county’s strategic direction (AGMA, 2009; 2011; 2014). The basis of these documents - and of Greater Manchester’s economic direction more generally - is a 2008 independent economic review of the county52 (MIER, 2008). The tactical realisation of this strategy stems in part from research conducted by New Economy, Greater Manchester’s economic development agency, which grew out of Greater Manchester’s Training and Enterprise Council in the 1990s.

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52 The Manchester Independent Economic Review (MIER) was led by individuals from the private sector, and proponents of mainstream economic theory. MIER was chaired by Lord Jim O’Neill, a former Goldman Sachs executive, who went on to be a minister in the 2015-present Conservative government. The economic governance strategies which stemmed from this review are detailed in section 3 of this chapter.
The purpose of New Economy is to generate research and policy advice for local state managers in Greater Manchester.

Marketing of Greater Manchester is the responsibility of the marketing agency ‘Marketing Manchester’ and associated campaign ‘Visit Manchester’, which promote Greater Manchester domestically and internationally. One aim is to attract tourists to the city in order to increase spending in the retail and hospitality sectors of the local economy. Whereas Visit Manchester’s output is directed at the general public (Visit Manchester, 2017), the activities of Marketing Manchester incorporate a strategic component which seeks to connect different actors across the county in order to try and achieve greater unity and cohesion of the ‘Manchester brand’ (Marketing Manchester, 2017: 7). This strategy was evidenced in an interview with an economic planner from a local institution, who highlighted the manner in which the success (or failure) of any of Manchester’s well-known institutions (chiefly its football teams and universities) had a noticeable knock-on effect on other institutions in the city:

‘I think what Manchester has...been able to [do] up until now [is] prioritise its opportunities, this....has led to greater clarity to its pitches to government...Manchester was able to identify collective priorities [early on] and therefore [develop] an investment plan. That gave greater priority to the private sector, and Manchester was always able to pitch itself globally, trading under the M-word....what are [Greater Manchester’s] strongest brands? Manchester United, Manchester City, The University of Manchester, Manchester Airport, Manchester Cricket Club, Manchester Metropolitan University...all those have Manchester in the name. [This is] important as, on a global market, if any one of those Mancunion assets fails, it pulls the net brand value of the other assets down.’ (Interview, Director of Economic Strategy, Local University, January, 2016).
This quote illustrates how individuals with economic influence over institutions affecting young workers (in this case a local university) perceive there to be a degree of coherence between their interests and the interests of private sector actors.

MIDAS - Manchester’s inward investment agency - aims to attract inward investment into Greater Manchester to grow the local economy. This aim is achieved through portraying Greater Manchester to potential investors as possessing a: well-developed infrastructure network, labour force, and pre-existing network of firms. This ‘boosterist’ function means there is some overlap with other ‘place-making’ functions which MGC engages in, such as those of Marketing Manchester. MIDAS also acts to provide support to businesses considering relocation to Greater Manchester by offering ‘relocation support, assistance in finding property...and advice on recruitment and training’ (MIDAS, 2017). It is these functions which differentiate it from other aspects of MGC. MIDAS does not seek to attract investment from specific individual companies - such as employers from high value-added sectors – in spite of MGC’s ostensible commitment to promoting the growth of these sectors. This claim is evidenced in data which highlights some of the largest individual investments have been in sectors such as logistics, and business services (MIDAS, 2016), which is not commonly associated with quality-jobs for young workers. The actions of MIDAS can therefore be seen as contributing to the uncoordinated nature of economic growth in Greater Manchester’s labour market.

MGC provides various services to local businesses which attempt to improve their productivity and profitability. These are usually relatively functional administrative services relating to: assistance with licencing, accreditation, health and safety, and other forms of business certification which act to increase and improve the reputation of firms and sectors (MGC, 2017). This function of MGC connects to the general aim of growing the local economy and is an example of
the way in which the MGC seeks to improve the performance of businesses across the county. It is however unclear the extent to which MGC’s activities in this area have had a significant impact in improving the quality of work and employment, as opposed to them being merely formal measures taken to satisfy basic legal requirements.

MGC also provides employment support to businesses in the form of recruitment services. This support comprises of a series of interlinked local and national supply-side programmes. The scale of these programmes is detailed in the quote from MGC below:

‘Working alongside partners in the public, private, community and voluntary sectors, we support the employment and recruitment needs of employers, local people, and Government…we’ve helped over 65,000 unemployed people find a job so far…[Additionally], every year over 1,600 employers use our services to develop their businesses and their workforce… services include free support with permanent recruitment, including large scale recruitment and training programmes, and our social recruitment agency provides flexible recruitment solutions across Greater Manchester…’ (MGC, 2016).

The success of these programmes is measured in terms of employed individuals and vacant positions filled. There are not substantive attempts by local state actors to shape the form or quality of this employment, meaning it is often employment in the low-wage, low-productivity sectors which were detailed in the Chapter 4, which young workers are disproportionately employed in.

The MGC-operated Skills Company is the ‘biggest apprenticeship provider in Greater Manchester’; its website advertises that it has ‘[over] 300 apprenticeship

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53 As of 2016 the businesses within the MGC that work to support employment are Aspire recruitment, The Work Company, the National Careers Service, and Career Point.
54 This figure also includes programmes which operate outside of Greater Manchester.
55 The Skills Company renamed itself ‘The Growth Company – Education and Skills’ during the course of this research.
vacancies at any one time.’ (Skills Company, 2017). Other organisations which provide workforce development services include Improvement Development Growth (IDG), which provides HR-focused organisational support and workforce development. MGC also partners with other groups providing training and educational services in Greater Manchester, such as the Manufacturing Institute, a charity specialising in skills provision for the manufacturing sector (Manufacturing Institute, 2016). The outcomes of skills provision by the local state in Greater Manchester is detailed more fully in section 3.2.1, where it is demonstrated that the main effect is to inculcate young people with basic, low-level skills in order to make them work-ready.

2. Strategies of Economic Growth and labour market reform

2.1 Economic growth

The economic governance strategy which local state managers in Greater Manchester ascribe to in 2017 has grown out of the MIER, the central finding of which was that Greater Manchester was underperforming economically:

‘[Greater] Manchester [is] punching below its weight [in terms of productivity]….firms in the region do not exploit [agglomeration economies]\(^56\) as effectively as firms elsewhere in the UK. Their productivity is lower than we

\(^{56}\) The concept of agglomeration economies has been criticised by scholars such as Williams (2016) who notes that proponents of the concept fail to adequately conceptualise the success of cities as being based on their relationship with their hinterlands, to which they export goods, levy taxes, and act as local political capitals of. All of these conditions require pro-active state regulation of a sort which is absent from current agglomeration policies for Greater Manchester.
should expect given the size of [Greater Manchester]’s economy’ (MIER, 2008b: 18)

And:

‘...annual [gross value added (GVA)] growth rates between 1999 and 2004 in [Manchester] (2.4%) and [Greater Manchester] (2.5%) were lower than the UK (2.9%), even when London is excluded. [Greater Manchester] resident[s’] productivity levels also remain lower than the national average, with a GVA per resident of £15,800 in 2004 comparing to a UK figure of £16,700....Workforce productivity in [Manchester] workplaces (expressed as GVA per employee), currently stands at £30,600, which also falls some way behind the UK average of £32,800, but is again closer to the UK average excluding Greater London (£31,200)’ (MIER, 2008a: 12).

In an attempt to remedy these deficiencies AGMA produced its first economic strategy document - Prosperity for All - in 2009, which detailed how Greater Manchester would advance economic development. A priority is given to maximising economic growth, which is seen by its authors as a panacea for all other social ills affecting Greater Manchester. As the Prosperity for All document states:

‘If we succeed in bringing prosperity to the many, then it will have a direct benefit on the economic future of the city region and we be a far more attractive proposition for the talented ‘creative class’ that we seek to attract. [Greater prosperity] will alleviate high levels of poverty...[and high] levels of ill-health, which currently have a negative impact in economic terms. (AGMA, 2006: 6)

And:

57 The measure of worker productivity used by the MIER is itself problematic; the calculation used appears to be a simple ratio of inputs to outputs. No reference is made to total factor productivity, or to the more theoretical issue of distinguishing labour from labour-power.
‘MIER highlighted how Greater Manchester has the scale and density to grow much more rapidly if it can address the main reason it ‘punches below its weight’: its low productivity. This can be addressed through a well-directed, coherent strategy that focuses on addressing key constraints to build a bigger ‘agglomeration’ of skilled jobs, amenities and successful places and supports appropriate and realistic growth ambitions across the city region. If we can get [Greater Manchester] to this critical mass, it creates a virtuous circle of long term sustainable economic growth. This strategy is the Greater Manchester Strategy’ (AGMA, 2009: 6).

The document states growth ought to be inclusive (AGMA, 2009: 12) and this ought to be achieved by providing deprived individuals with:

‘…lifelong skills development and other forms of support, including accessible employment opportunities, so that people can compete and engage in the modern labour market. (AGMA, 2009: 16).

However, this aim of inclusive growth is largely unrealised. Economic development is uncoordinated and individuals are perceived – and valued - primarily in relation to their labour-market position. Success is measured in terms of growth (no mention is made of whether this ought to be equitable) and increased employment, thereby subjecting individuals to the disciplinary power of the labour market.

The 2013 Stronger Together strategy document moved away from the notion of growth being inclusive and instead foregrounded the twin aims of economic ‘growth’ and labour market ‘reform’ (AGMA, 2013: 24-65), with the latter aim being used to achieve the former (AGMA, 2013: 4). Growth strategies are focused on several areas including: revitalisation of town centres, rejuvenation of the local housing market, and development of the local transport infrastructure
(AGMA, 2013: 24-32). More specifically, AGMA’s strategy aims for economic competitiveness, reflected in its investment strategy:

‘Greater Manchester must be competitive, and this involves ensuring that land is available in locations that are attractive to the market...Our approach to investment represents a definitive move away from a grant culture to a self-sustaining investment approach founded on the ability to secure the benefits of local growth...[our investment strategy] enables [AGMA] to work with the private sector to bring forward an appropriate offer on the sites where the market wants to go’ (AGMA, 2013: 28-31).

AGMA have thus sought to update and reformulate their core strategy towards economic governance since 2008-9 in a way which draws on changing economic realities whilst not deviating from the dominant aim of economic growth. The 2013 strategy document also highlights the pressures of entrepreneurial urbanism; local planners are acutely aware they must engage in competitive struggle for investment as the basis for local development.

Evidence presented in Chapter 4 illustrated how Greater Manchester’s local labour market is not creating the productive, advanced economy which mainstream accounts promote and expect and is in fact generating increased levels of employment in low-wage sectors. Local officials are however proud of their achievements, as interview data illustrates:

‘One of our pitches post-recession has been about costs, [businesses have] access to highly skilled graduates, and the cost of doing business [in Greater Manchester] are about 40% lower than London, because of property costs, wage, salary costs. That’s a massive pitch - we’ve seen a lot who of businesses who have relocated out of London - not [head offices] - but back-office [functions]....economic growth in the city has [come from], less known companies relocating here.’ (Council Development Officer, April, 2016).
The apparent successes of Greater Manchester’s development strategy has been caused by the locality competing on the basis of low costs, rather than trying to out-perform other cities in developing advanced sectors. An outcome of competition on the basis of costs is that a ‘race-to-the-bottom’ can emerge which negatively affects: wages, employment conditions, and labour market conditions more generally for young workers.

There is evidence from planning documents to suggest local state managers in Greater Manchester are attempting to promote local economic development with the aim of developing the county’s internal capacities, such as through infrastructure development (AGMA, 2009; 2014; New Economy, 2016a). Local state managers also promote ‘headline’ sectors of the local economy where Greater Manchester is perceived as having a competitive advantage, including: advanced manufacturing; finance, professional, and business services, and; the creative and digital sector (New Economy, 2016a). Evidence of this development agenda exists in the form of local boosterism and business support offered to ‘headline’ and other sectors.

Several partnerships between the public and the private sector exist in Greater Manchester, notably ‘Corridor Manchester’ (Corridor Manchester, 2015), a collaborative partnership between Manchester Council, two local universities, an NHS Trust, and a local science park (home to around 120 businesses), along with several other cultural and charitable organisations. The 400-acre site contains two enterprise zones which offer tax relief, as well as other financial incentives, to businesses (Corridor Manchester, 2017). The Corridor also ‘generates 20% of the city’s economic output and has a 63,000 strong, high value, knowledge-based workforce’ (2017: 2). AGMA strategy documents also advocate ‘co-opting’ university research findings to benefit the private sector in Greater Manchester (AGMA, 2014: 21).
2.2 Labour market reform

Labour market reform is viewed by local state managers as an area in which they can exercise some agency and autonomy from national state policy in order to try and increase overall economic growth and development. Labour market weaknesses in Greater Manchester are grouped by local state managers under the twin headings of ‘worklessness’ - referring to forms of unemployment and economic inactivity - and ‘skills’, referring to perceived skill shortages and below national-average levels of qualifications (AGMA, 2013: 49). Labour market reform strategies in Greater Manchester are subdivided into four main aims:


The first aim attempts to make the needs of employers the basis of all local skills policy. AGMA’s strategy documents illustrate awareness of the need to try and create a balanced labour market in order to avoid an over-supply of low-waged jobs. The strategy advocated to promote this, however, centres on labour market reforms led by employers and market forces more generally:

‘Encouraging greater self-reliance...runs throughout our public service reform programme. But it will not be sufficient to simply provide the basic skills required for the labour market, or we will simply flood that market and risk reducing average wages at a time of recession....By putting employers at the heart of the skills system, we will ensure more employers are able to secure the training they
need…and enable more local people to gain the skills they need to access employment’ (AGMA, 2013: 49).

There is an inherent limit to putting employer-need at the centre of skills provisioning: employers are ultimately concerned with profit, not with providing sustainable employment. By focusing on what employers want, rather than what is best for young workers, there is the risk that young workers will be unduly impacted if an employer goes into administration, or makes lay-offs.

The second aim of labour market reform is to initiate a range of broadly supply-side active labour market policies, involving provision of training, skilling, and careers advice (AGMA, 2015: 53). The third aim can be understood as an attempt to develop more ‘joined-up’ local governance (Pollitt, 2003) which connects different aspects of local services and works more effectively with central government policies, such as national welfare provision. The justifications for this reform are that Greater Manchester has to respond to the continued impact of austerity policies:

‘Reductions in national welfare budgets may reach £27 billion and the introduction of Universal Credit, which will impact on 40% of all Greater Manchester households, will herald the most significant shake-up of the welfare system since the Second World War. They will also present a significant opportunity to improve the support and engagement of our residents – both the unemployed and those reliant on in-work benefits – to enter work and progress to higher paid roles’ (AGMA, 2013: 54).

The reforms which AGMA are implementing in response to austerity are the result of coercive pressures from central government, although the manner in which they are described by local planners evokes Schumpeterian notions of ‘creative destruction’, in which pressures stemming from capital accumulation lead to old social arrangements breaking down and new ones emerging
Implicit in the notion of creative destruction are that the vicissitudes of capital accumulation cannot be resisted, and ought to be embraced. This belief is held amongst elites in Greater Manchester, as one local official in explained:

‘...countries, regions, cities...need to invest where the market wants them to go...but if the engines [of investment] are firing on all cylinders then [Greater Manchester] will continue to [grow], quicker and better – houses and industries [will grow]....and I suspect that you will see [this same process more] strongly if you look at more successful economic zones around the world. Look at Hong Kong, the area around it is a wasteland, same in Singapore. Same in [the USA], towns literally close down in 30-60 year periods. (Senior Manager, Local State Agency, August 2016).

The fourth labour market reform aim is related to the third and is part of a broader aim of neoliberal public service reform which AGMA are engaging in, which entail a:

‘...collaborative and ambitious programme with two linked aims: to re-design public services to build the independence and self-reliance of Greater Manchester’s residents; and to collaboratively invest in public service interventions to help all Greater Manchester partners sustainably reduce demand for their services.’ (AGMA, 2013: 55).

AGMA’s documents define improved quality of life for individuals and communities as predicated on increasing productivity as workers. The documents are evidence of how neoliberal logic and human capital theory pervades local strategies in Greater Manchester. Strategies are directed at increasing employment, while the worth of individuals is measured in relation to their position within labour markets. Although the aim of increasing employment is can be thought of as laudable, the reality in Greater Manchester is that job creation
has largely been in low-wage sectors of the local economy, and the prevailing neoliberal strategies of local state managers preclude alternative growth strategies being developed.

2.3 Outcomes of economic strategies

Official documentation supports a narrative of Greater Manchester being in a buoyant economic condition, and – despite some tangential issues – being on the right track with regard to the policies local planners are pursuing. According to one strategy document:

‘There is...a very positive story to tell about Greater Manchester’s investment priorities...The Greater Manchester Investment Fund is now well established. This “virtual pool” of funding delivers GM's Investment Strategy under the direction of the GMCA and the GM Local Enterprise Partnership’ (GMCA, 2015: 5)

This optimism is also shown in headline economic growth data. Greater Manchester’s local economy: ‘grew by 4.6% (£2.5bn) between 2012 & 2013. This was above the South East growth rate of 2.8%’ (GMCA, 2015: 1). Similar statistics also support a narrative of economic growth around job creation and employment, such Greater Manchester now: ‘account[ing] for 4.13% of jobs in the UK, based on Jan-Dec 2014 Annual Population Survey [data]’ (GMCA, 2015: 10). Other data highlights that in 2014 12.1% of Greater Manchester residents aged 16-64 were in receipt of out-of-work benefits (excluding universal credit); in Great Britain the figure is 9.7%, meaning there is a difference between the two of 2.4%. Trade and export data is also viewed as being positive; Greater
Manchester increased export trades sales by £59.7 million in 2014 (AGMA, 2015: 1-17).

Economic success is also illustrated by data obtained from MIDAS (2017) which highlighted growth in employment as a result of inward FDI in the period 2010-2016; during this period there were just over 3500 jobs created across the county each year as a result of inward FDI (for a detailed sectoral and yearly breakdown see table 6, below). The development of jobs as a result of inward FDI has had an impact on the sectoral composition of Greater Manchester’s labour market, as illustrated in Chapter 4.

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<th>Table 6: Total jobs created in by inward FDI in Greater Manchester from 2010-2016, by sector</th>
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<td>Manufacturing</td>
</tr>
<tr>
<td>Media and Creative</td>
</tr>
<tr>
<td>Retail, Leisure and Sport</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
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Source: MIDAS; author’s own calculations
2.4 Perceptions of economic strategies amongst local elites

Findings from interviews with local state managers and local elites reveal several insights which connect development of a particular economic strategy in Greater Manchester with labour market outcomes for young workers. There is a uniformity of purpose which exists amongst many local planners, who advocate the idea that economic growth of the private sector is the only conceivable route to developing Greater Manchester. This strategic outlook is expressed by a former head of strategy:

‘…we had strong political pressure to work on getting people back to work, job interventions, youth interventions, we [aimed to] create the demand, put businesses up, work on the right sectors, business services and all, whatever they were – and…if you get that right, and you’re getting investment, then it will trickle down, and jobs will flow, to put it in a crass way….that was always…the dominant view [at the economic development agency, which] more or less set the way in Greater Manchester as a whole. And I still think that’s right. (Former Head of Strategy, Economic Development Agency, January 2016).

The belief in the idea that wealth and prosperity will “trickle-down” from the affluent to the rest of society runs deep; the respondent seemed to favour both the concept of ‘trickle down economics’ (Jessop, 2002) and believe it has been successful in Greater Manchester. Research on the growth in equality in the neoliberal era disputes this notion, suggesting that neoliberal economic development leads to increased social polarisation and inequality (McNally, 2009; Grimshaw & Rubery, 2012). Increased inequality in Greater Manchester substantiates this claim (as discussed in Chapter 4).

Support for neoliberal economic strategies amongst local elites in Greater Manchester is hardly surprising; the county has adopted a strong neoliberal
development path over the last three decades – as has the UK nationally - which can be assessed as relatively successful when measured using conventional economic metrics such as GVA and job creation. The continued support for neoliberal measures was expressed by one planner, who stated they would like to see more:

‘…[inter-city competition] - different tax rates, different emphases, different branding, different ways [of getting more] competition, for population, for talent, for industries, for sectors, I would welcome that, that’s how America made itself great, and the more you get that in the UK, in my mind, the better.’ (Former Deputy Head of Strategy, Economic Development Agency, January 2016).

Local elites also expressed strong support for governance structures which continued to allow the private sector to set the governance agenda:

‘...you can never really expect business leaders to run the state, that’s not what they do...they run businesses and let’s hope they keep doing it. So how [do] you co-opt, in a non-executive fashion, functioning of business leaders? Call it what you want – it’s called the [GM]LEP’ (Senior Strategic Planner, Local State Agency, April 2016).

Local elites who were interviewed seemed to display a particular understanding of labour market growth which was counter to claims in strategy documents of wanting equitable growth. One official stated that:

‘if you rib most politicians not too hard, [and] you say ‘’would you rather have lots of jobs, or less jobs but better jobs?’’ they’ll all say lots of jobs, always....everywhere you do see the hourglass economy, you do see the high competition for high quality jobs, which hoover up more and more of the wealth essentially, of the capital spend...and you do see higher volumes of lower [quality] jobs.’ (Former Head of Strategy, Economic Development Agency, January 2016).
Recent developments in labour markets were seen by interview respondents as better than conditions which existed in Greater Manchester in earlier decades:

‘[In the] ‘70s and ‘80s [Greater] Manchester was a city on its knees, if you were young person you wouldn't stay here – I think that has transformed now, you can see that in the physical fabric of city centre - look at jobs here, and growth. For a young person it is a good place to develop a career’ (Head of Research, Economic Development Agency, March 2016).

There was not uniformity of opinion amongst local state figures. Some individuals expressed criticism of governance arrangements in Greater Manchester, and how they have resulted in an executive-dominated system of local governance in which the legislative branch has been weakened. One local politician described this change when discussing how decisions in local government were made:

‘...we're cardboard cut-outs – [the executive] wheel us out when there's a meeting, we stick our hands up and say yeah, and go home....I’ve just felt totally surplus to requirement for ages now, and I get the impression that many councillors do but won’t admit it.’ (Greater Manchester Councillor, February, 2016).

The local politician went on to discuss how the power of the executive was maintained through awarding cash (in the form of increased salaries for holding committee chairs) to loyal councillors who voted certain ways and were uncritical of executive decisions (Interview, February 2016). These points are evidence of how depoliticisation (Burnham, 2001) occurs under conditions of neoliberal governance; power becomes increasingly concentrated in the hands of a small number of officials, both elected and appointed, which is beneficial for capital as it reduces democratic pressures on its actions and means there a fewer individuals for private capital to try and influence.
3. Labour market outcomes for young workers

Young workers are affected in two ways as a result of local economic strategies: indirectly, as economic strategy re-shapes the structures of local labour markets, and directly through labour market interventions. These two areas will now be explored.

3.1. The indirect impact on young workers of local economic strategies

The main impact which local economic strategies have on young workers in Greater Manchester is indirect; economic strategies which are implemented by local state actors re-shape and reformulate local labour markets which young workers are located within. The majority of young workers in Greater Manchester have to work without any direct intervention from the local state, under conditions which have been worsened by waves of neoliberal reforms. Local economic strategies have prioritised uncoordinated economic development which has led to an increase in low-wage, low-productivity employers.

The possibility that Greater Manchester’s economy is not as buoyant and sustainable as local planners claim is revealed by the following data; business survival rates are below the UK average (the 1-year survival rate in Greater Manchester is 91.9% (UK 91.2%), the 2-year survival rate is 73.0% (UK = 75.6%), and the 5-year survival rate is 38.7% (UK = 41.3%)). Additionally, the gap in median salary between Greater Manchester and UK residents has also increased; in 2012 it was 7.6%, in 2015 it is now 9% (AGMA, 2015). This data supports evidence from Chapter 4 which illustrated that – in the private sector – the specific sectors which have grown in Greater Manchester in the last three decades have been low-wage, low-productivity, and low-skill services, most
notably retail and hospitality, personal services, and business services. This type of labour market growth is problematic for young workers as jobs in these sectors are not a temporary step on the path to better-quality labour market outcomes. Rather, these jobs are quite often ‘dead-end’ as there are limited opportunities for training or skills development, and lack of a developed internal labour market which means diminished opportunities for promotion. Empirical support for these claims is presented in Chapter 6, which examines case studies of six different employers across three sectors of Greater Manchester’s local economy. It is also important to consider the changing role and importance of public sector employment in Greater Manchester over the last three decades. Traditionally, the public sector has been a source of good jobs in the UK, in part due to the power of trade unions in the public sector. However, there has been an overall decline of around 10% in total public sector employment since the 1970s in the UK (Gregory, 1999; Institute for Fiscal Studies, 2014; ONS; 2018b). This decline in public sector employment has particularly affected Greater Manchester, which has experienced declining levels of employment in local government (ONS, 2018c) due to austerity policies. This decline has undone much of the growth in public sector employment which occurred under New Labour. Furthermore, conditions for workers in the public sector have worsened due to a range of factors, including job intensification, a public sector pay-freeze, restrictions on the power of public sector unions to operate following the 2016 Trade Union Act. Although ‘good jobs’ can still be seen to exist in the public sector for young workers, they are in decline, and the majority of young workers work in the private sector, in low-paid sectors which are growing.

One reason why these unfavourable labour market outcomes have emerged is because local state managers – acting within heavily constricted conditions imposed upon them by the national state – have pursued uncoordinated economic growth, rather than pursuing alternative, social democratic strategies. Alternative
strategies could involve greater economic planning and co-operation with a wider range of stakeholders, which could result in more economically equitable labour market outcomes. If local state managers were to adopt the latter route then greater influence would be given to varieties of stakeholders, such as community organisations, and trade unions. Trade unions are currently absent from governance institutions in Greater Manchester such as the GMLEP; this is in spite of a White Paper recommending their inclusion (Ward, 2014).

One trade unionist in Greater Manchester commented on how they perceived the relationship between organised labour and local state representatives in Greater Manchester:

‘…there was a meeting [in 2015] between some regional and branch reps and the chief exec of [A Greater Manchester Council] – they got absolutely nowhere – got nothing from him…they ending up stormin’ (sic) out in a rage at the end because he wouldn’t even listen to them. I think that’s a disgrace’ (Trade Union Representative, Trade Union 1, May 2016)

Trade union representatives who were interviewed also commented on the condition of young workers within Greater Manchester’s local labour market:

‘…it’s not a fantastic environment for young people in a lot of jobs – there’s work available, but much of it is low-end…Also – we run a campaign which tries to ensure young people are getting the [NMW] they’re entitled to and not getting ripped off. We’ve had successes, but then it's a struggle about where to go next – lots of young people are stuck on the [NMW] and getting wages above that is an uphill struggle’ (Trade Union Organiser, Trade Union 2, June 2016).

Both statements highlight the peripheral role which trade unions have in Greater Manchester in terms of pro-actively influencing policy and achieving substantive change.
Greater Manchester’s growth strategy is made worse by the extent to which neoliberal policy ideas hold sway within the locality and the related advocacy of entrepreneurial urbanist development strategies. One of the contradictions of entrepreneurial urbanism and local governance is that, in an attempt to gain more autonomy from central government, local state managers in Greater Manchester may inevitably find themselves further ‘locked-in’ (Peck, 2014) to neoliberal austerity policies at the national level. This outcome may occur as the 2011 Manchester Devolution deal stipulates that for the county to acquire devolved powers it must: ‘become a net contributor to the UK economy by 2020. To achieve this [Greater Manchester] must eliminate the present gap between public spending and tax generated which [is] calculate[d] to be £4.7bn a year. Th[e] [2013 Greater Manchester Strategy] seeks to create the platform for fiscal self-reliance not simply by seeking access to available resources from the Local Growth Fund, but through the development of a new "place based" partnership with Government to drive public sector reform and further align local and central growth programmes.’ (AGMA, 2013).

Official documentation states this strategic decision borne out of necessity because, if Greater Manchester is to compete more effectively against other cities, it needs greater control over how it spends its budget and so it must therefore cease to be a ‘tax sink’ which costs the UK Treasury £5 billion annually (AGMA, 2009; 2013). The devolution of powers and the potential locking-in of austerity policies locally means that young workers may find themselves further disadvantaged and limited to working in the low-waged sectors of Greater Manchester labour market; this situation will possibly be made worse because local state actors will be unable to appeal to central government for assistance. The work and employment conditions affecting young workers must therefore be analysed in relation to strategic shifts in political and economic policy which are
manifestations of wider shifts in capital accumulation and concomitant forms of state regulation.

3.2 The direct impact of labour market reform on young workers

The direct impact of local state policies is limited and is restricted to small-scale interventions in skilling, training and associated active labour market policies. These interventions align with policy shifts which have occurred nationally in recent decades, wherein labour market strategies have orientated towards a focus on supply, as opposed to quality job creation.

3.2.1 Skills policies for young workers

British labour markets have experienced several waves of reform in recent decades as part of ongoing processes to stimulate labour productivity in order to increase the competitiveness of UK-based capital. Attempts to increase productivity have taken the form of upskilling to tackle perceived skills shortages. Programmes such as Nu Traxx – established in 2014 – provide targeted training to unemployed young people aged 18-24 to improve their basic skills. Local planners have also worked with the Office for Standards in Education, Children's Services and Skills (OFSTED) to coordinate training offered by colleges and learning providers across Greater Manchester to improve its quality (New Economy, 2014a). Across Greater Manchester 22% of the labour force is educated to national vocational qualification (NVQ) level two and 32% are educated to NVQ level four or higher, whilst 11.6% have no qualifications at all.
This compares unfavourably to the national picture (20%, 36%, and 9% respectively (ONS, 2014a)).

<table>
<thead>
<tr>
<th>Table 7: Highest level of qualification achieved (%)</th>
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<tr>
<td>No Qualification</td>
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<tr>
<td>Manchester</td>
</tr>
<tr>
<td>Greater Manchester (ages 16-24)</td>
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<tr>
<td>Greater Manchester (ages 16-64)</td>
</tr>
<tr>
<td>North West</td>
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<td>United Kingdom</td>
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Skills shortages are cited by local state managers as a significant labour market inhibitor which limits productivity increases. According to official documentation:

‘...a quarter of the productivity gap between Greater Manchester and the UK as a whole [is] caused by higher than average levels of worklessness and low levels of economic activity. The other three quarters [are] caused by lower levels of economic output, with people in work not as productive as elsewhere in the country. Low skill levels are a key contributing factor to this’ (AGMA, 2013).

This inhibition is illustrated in documents which advocate the need to ‘bridge the skills gap’ and ‘overcome skills mismatches’ (AGMA, 2009; 2013). Specifically, skills policy takes the form of attempting to increase the numbers of workers with NVQ2+ qualifications as Greater Manchester has above national-average levels of workers with no formal qualifications. This focus on skills by local planners is a result of surveys of local employers across Greater Manchester which found
employers viewed skills shortages as the biggest barrier to growth (New Economy, 2016b). As shown in the evidence:

‘All [businesses in “prime capability”58 sectors] report a shortage of available skilled workers and identify this issue as a key barrier to growth, highlighting the importance of developing the skills base of GM’s population’ (New Economy, 2016b: 35)

Local state actors have promoted upskilling of the labour force in Greater Manchester as a solution to the problem of low productivity and in response to the demands of business. There are several problems with this approach. Often, employers want a disciplined workforce which is capable of undertaking simple, repetitive tasks without complaining or agitating for better conditions. Another problem of employer-led skills provision is that employers often want technical skills whilst being unwilling to contribute to paying for the provision of training. These themes are explored more in Chapter 6. Evidence from documents and employers shed light on this process:

‘The aim of an employer led skills system [is an] increase in competitiveness and the provision of good jobs and training opportunities across Greater Manchester’ (New Economy, 2015a: 6).

Part of the employer-led focus is a result of Greater Manchester piloting the Employer Ownership of Skills (EOS), a nationwide programme with the aim of: ‘orientating entire sectors of the economy towards an employer-led skills model, with a particular focus on increasing the numbers of employers engaged with apprenticeships.’ (New Economy, 2015a: 5). As the 2013 Stronger Together

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58 There are four sectors identified by local planners to be ‘prime capability’ sectors with the potentially to grow rapidly in the future. These are: digital and the creative sector; business, financial and professional services; (advanced) manufacturing, and; health innovation (New Economy, 2016b: 7). The term is often used interchangeably with ‘headline sectors’ in official documentation.
The strategy document states: ‘[AGMA] will bring employers together with providers and government agencies to narrow the gap between what employers want and what the skills system is able to deliver’ (AGMA, 2013).

The aim of local state managers in implementing this skills strategy is to respond to pre-existing employer needs. One outcome of this policy decision will be to further increase the influence of private employers in Greater Manchester. An additional outcome will be that the prevailing ‘low-road’ form of capital accumulation which prevails in many sectors of the local economy will be maintained, or may even further expand.

Another problem of focusing on ‘skills’ is that it individualises the problem of low productivity, making it appear as being caused by defects of an individual worker, or of the labour force in general. Not only has this approach been shown to be limited in securing long-term sustainable labour market outcomes (Lloyd and Payne, 2002; 2016), it also precludes more equitable alternative growth strategies such as those based on an industrial strategy which understands – at the very least – the importance of demand-side factors, and of the interconnectedness of different geographic scales. Skills strategies in Greater Manchester for young workers emphasise promotion of ‘employability’ and ‘entrepreneurialism’. Employability was recurrent in policy documents, council reports, and strategic plans (AGMA, 2009; 2013; MGC, 2014; 2015a; 2015b; GMCA, 2016). The recurrent message is ‘employability’ needs to be increased in order to improve the competitiveness of Greater Manchester. Employability was also repeatedly mentioned by local state officials, who sought to stress an opposition to employability:

‘[There are] supply and demand aspects of programmes – how much supply-side versus how much demand side? [There’s been a] move from employability to jobs with training and apprenticeships...[we at the economic development agency aim
for balance, [we] aim to join supply and demand, [we aim for] ‘work-readiness’ rather than employability. Work readiness varies by job and sector – [we] need to incentivise quality employers to offer jobs. [We] recognise that employability has negative connotations – gives the idea that people are sat around in entry-level jobs with low-level qualifications’ (Youth Initiatives Manager, Greater Manchester Council, July 2016).

Local state managers have altered their local economic policies by shifting away from exclusively supply-side policies for young workers and gravitating towards more pro-active attempts at training which may lead to specific jobs, notably through apprenticeships. One issue is the extent to which ‘work readiness’ differs from ‘employability’; ultimately, it is still a policy that seeks to shape young workers to the prevailing labour market demands, rather than seeking to alter prevailing conditions, which may be more sustainable.

The alleged lack of entrepreneurialism amongst young workers is another recurrent theme in skills policies in Greater Manchester:

‘...the retail sector has an above average number of hard-to-fill vacancies, compared with other sectors. Just under a fifth (17%) of vacancies are considered hard-to-fill because of skill shortages among applicants. The main skills challenges are finding experienced customer service skills. Other challenges include problem handling and customer management, entrepreneurial skills, commercial acumen/awareness and leadership skills/vision.’ (New Economy, 2015a: 31).

Skills shortages are not connected to other factors which affect specific sectors, for example low pay levels in retail. A lack of entrepreneurial skills amongst young people was also reported in the digital and creative sector, in the sense that young people are insufficiently engaged in creating new business opportunities (New Economy, 2013). One local employer expanded upon why this may be:
‘Young people are not taught to think that you can create [your] own value – education and apprenticeships are about teaching people to work for other people, to be employees. Some apprenticeships are about entrepreneurialism, but these are small [in number in Greater Manchester] – in part because [an] apprenticeship is about a business training someone up in skills that they can use to work [for that] business. [An] apprenticeship in entrepreneurship would be a business training someone up who then goes off and does their own thing, even becoming a competitor. [There’s] not a lot of employer buy-in as a result.’ (Co-Founder, Socrates Technology, April 2016).

Promotion of employability and entrepreneurialism are seen by local planners as being especially important in labour markets where there is increased competition for graduate jobs, as increased numbers of graduates are entering labour markets relative previous decades. In 1995 the number of students enrolled in higher education in the UK was 1.5 million. As of 2016 the figure is 2.3 million, an increase of 53% (HEFA, 1996; 2016). In Greater Manchester local planners have the aim of retaining graduates from the county’s four main universities, as well as attracting graduates from other cities. One official noted there are not as many high-quality graduate jobs available in Greater Manchester as in London, and – in the absence of pro-active strategies to create high value jobs – it is possible to see an increase in competition for graduate jobs in Greater Manchester:

‘[Only] 40% of graduates get jobs with graduate schemes. [The] testing process for these is rigorous, and competition has increased. I would agree that they are more intensified than in the past. Psychometric tests, online tests, phone interview, multi-stage interviews in person – there can be six or more stage...Quite often [the] problem is that students cannot provide evidence to support the skills that they need for the job.’ (Head of Careers Service, Local University, January 2016)
Skills provision is connected to labour market information provided to young people by local state actors. Officials spoke of the way in which they have sought to interact with and condition young workers in the locality:

‘[We] recognised that businesses have changed over time [and we have had to] respond to these changes. Apprenticeships have to [go] where jobs are, in financial [and] business services, and health and social [care]...part of our youth policy work is working alongside schools so they understand careers available for young people in Greater Manchester when they leave.’ (Senior Manager, Economic Development Agency, August 2016).

This latter point was expanded upon by another official, who stated that one aim of local youth initiatives was to ‘manage the aspirations’ of young workers, as ‘graduates expect too much from labour markets’ (Planner, Local State Agency, May 2016). That local officials seek to shape the perceptions of young workers so they are better suited to working in a low-wage labour market illustrates officials do not foresee the quality of jobs in Greater Manchester improving in the short- to medium-term.

3.2.2. Apprenticeships

46.2% of young people in the UK attend higher education (Association of Colleges, 2018; Department for Education, 2017a; 2017b). Young people who do not attend university must remain in education or training until they are 18 because of the raising of the participation-age for young people in England in 2015. This policy change is part of the government’s ambition to upskill the UK

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59 The figure of 46.2 is derived from the Department of Education’s Higher Education Initial Participation Rate (HEIPR) data. This data illustrated that in 2015/16 there were 311,510 18-25 year olds who entered into higher education in the UK. This figure includes individuals aged 18+ who are studying higher education at an accredited further education college.
workforce, in part by increasing the number of apprenticeships to three million by 2020 (BIS, 2015). Whilst apprenticeships can provide quality work-based training which leads into decent employment there is also evidence of apprenticeships which are in low-paying sectors, and which do not offer opportunities for development. In Greater Manchester some of the largest sectors which recruit apprenticeships are ‘customer services, and business administration’ (New Economy, 2014a: 35-45). Average wages for apprenticeships in Greater Manchester are just over half of the national average, indicating their must be high incidences of low-level apprenticeships in Greater Manchester. There is also evidence of widespread underpayment of apprenticeships, with some estimates putting this figure as high as 20% (O’Connor, 2017). Additionally, research shows that 79% of the apprenticeships which are available in Greater Manchester are at intermediate level, which is the lowest skill level of apprenticeships (TUC, 2013; New Economy, 2014a: 49-50). When apprenticeships are viewed at a structural level, in relation to capital accumulation, they can be seen to have several effects. Most notably, they reduce the cost of youth labour (the current wage for first-year apprentices is £3.40, compared with an average minimum wage of £6.25 for 18-25s). The apprenticeship scheme could become a new way to ‘warehouse’ young people who would otherwise be unemployed or competing for jobs with all-age workers. Increasingly, large numbers of apprentices are not young; in Greater Manchester alone just under 50% of apprentices are over 25 years old (MCC, 2014b). This is partially the result of re-branding pre-existing training programmes as apprenticeships, but it also supports the claim that there is no longer a distinct youth labour market, and instead that young workers compete with all-age workers for jobs (MacDonald, 2009: 171). Finally, there is the problem that the provision of apprenticeships in the UK exists within the UK’s largely voluntarist, individualised skills system, which is becoming increasingly marketised due to the entry of for-profit providers.
Data from interviews with skills providers in Greater Manchester provides an insight into how apprenticeships are viewed amongst local state managers:

‘Any job has training needs [and] all sectors need apprentices. You hear horror stories [about apprenticeships] in retail like the Morrisons debacle\(^60\) but these are not the norm – apprenticeships give a stepping stone for progression…[There has been a] shift in perception and growth in higher level apprenticeships – more young people are considering [apprenticeships] as a real alternative to university…[the] popularity and success…of the apprenticeship system is borne out by numbers of graduates applying for apprenticeships – however, many are ineligible’ (Head of Youth Initiatives, Local State Agency, December 2015).

The interviewee reflected a positive view of apprenticeships which was evident in strategy documents and reports and was held by local state managers, who support ‘quality’ apprenticeships and are hostile to arbitrary government targets which ‘could easily be met target if every young person had to sign up to apprenticeship – but this goes against the employer-led system that is being developed [by us in Greater Manchester]’ (Head of Youth Initiatives, Local State Agency, December 2015).

The same interviewee also commented on how some sectors have moved away from hiring graduates and are increasing in-house training of younger workers. ‘In some sectors there has been real revival in [apprenticeships] – the banking sector has gone back to this system – there [has] been a movement away from graduate schemes and towards apprenticeships again’ (Head of Youth Initiatives, Local State Agency, December 2015)

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\(^60\) The Morrisons debacle refers to the fact that in 2011 1 in 10 British apprenticeships were with Morrisons, and in 2012 40% of Morrisons’ staff were apprentices. A BBC expose revealed poor levels of training being provided to apprentices, as well as apprentices doing the exact same jobs as permanent staff but for less pay (BBC, 2012).
3.2.3 Worklessness and labour market policy interventions

The strategy to overcome labour market weaknesses focuses on active labour market policies which aim to tackle perceived ‘worklessness’ in Greater Manchester (MIER, 2008; AGMA, 2011; 2014; New Economy, 2016c). Worklessness is defined as ‘those of working age in receipt of [job-seeker’s allowance] and those with a work-limiting illness benefit’ (MIER, 2008b: 40) which is ‘a particularly significant marker of deprivation as it signals social isolation and a lack of opportunity, which is often passed down the generations.’ (MIER, 2008b: 2). This conceptualisation of worklessness is problematic as it is framed in such a way that (un- or under-employed) young workers are seen as the primary cause of their own labour market conditions, thereby downplaying the impact of larger structural factors. Policies targeting worklessness are often localised variants of national policy frameworks which, in recent years have been characterised by retrenchment of public service provision and an increased role played by private capital. These aims have the effect of coercing individuals back into labour markets, often through disciplinary measures such as removal of welfare benefits. These measures exemplify neoliberal approaches to labour which eschew any attempt to understand or resolve the complex and multi-faceted reasons why individuals might become workless and instead individualise the negative consequences of unemployment on to the unemployed.

Active labour market policies aim to respond to weak competition by improving the skills and capacities of the local labour force. At the local level in Greater Manchester there are numerous small scale policy interventions which primarily target unemployed young workers and not in employment, education or training (NEET) status young people. Talent Match, and the Greater Manchester Youth Contract Extension (GMYCE), both launched in 2004, are examples of local state
interventions. Talent Match provides jobs coaches to support young people who are furthest from labour markets. GMYCE aims to assist young long-term unemployed enter into employment by providing cash incentives to businesses which hire young people. By its own admission, AGMA has struggled to achieve the targets it set for reducing youth unemployment: ‘All GM's youth employment programmes are performing far better than they were but not quite to target. However, in a climate of slightly increasing youth unemployment, this represents significant progress and lessons learned from these need to be built into future activity.’ (AGMA, 2016). Despite the positive rhetoric the failure to meet targets in the face of broader changes in employment levels indicate how the local state actors are limited from substantive intervention in labour markets. The nature of these targets are indicative of the contemporary focus of the local state; the aim is to reduce youth unemployment and NEET status, rather than seek to facilitate the movement into high-paid, higher productivity work. Labour market interventions in Greater Manchester for young workers are characterised by an individualised focus on moving young people out of unemployment or economic inactivity and into any job, which is motivated by the explicit aim of reducing unemployment numbers and increasing overall productivity across the city-region (AGMA, 2014: 12).

4. Discussion and conclusions

The findings presented in this chapter illustrate how a neoliberal governance regime prevails in Greater Manchester and how this has affected young workers. Section 1 of this chapter illustrated how neoliberal governance has developed historically, leading to the creation of local economic institutions which replicate neoliberal governance and lead to the expansion of capitalist accumulation. The
findings highlight how the political governance of Greater Manchester is elite-led, leading to market actors having excessive influence over policy decisions.

Section 2 detailed the economic and labour market governance strategies of Greater Manchester and how these contribute to policies which lead to uncoordinated economic growth and to labour market reforms which focus on increased overall employment levels rather than improving job quality. These growth and reform strategies were shown in Section 3 to have negative labour market outcomes for young workers. Young workers are primarily affected indirectly, through lack of pro-active attempts to coordinate and regulate the local economy on their behalf. Instead, regulation which exists favours capital, and the expansion of total social capital within the locality. In Greater Manchester particular groups of individual capitals are now dominant, these are manifest in the expansion of low-wage, low-productivity service sector employment. The action of local state managers has increased the presence of these sectors; this is in spite of an awareness of the limits of these sectors to generate of good jobs. The dominant perception amongst local state officials was one of satisfaction with the current accumulation strategy pursued; findings presented in Section 2.4 emphasised how local state managers believe neoliberal governance generally ought to be expanded and intensified, rather than reduced.

Findings presented in Section 3.2 showed that one outcome of neoliberal governance strategies for young workers relate was a focus on increasing basic skills, in order to make young workers more employable. The measure of success of labour market reforms are increased levels of labour market activation amongst young people, rather than: measure such as wage-rates, opportunities for progression, or substantive - rather than merely formal – training provision. The inclination of these labour reform strategies is in part a legacy of high youth unemployment in Greater Manchester since the 2007 financial crisis, although their continued existence now contributes to the expansion of low-wage
employment across the county, rather than leading to the increase in high-quality employment.

To conclude, the aims of local economic strategies in Greater Manchester for young workers and young people in general are limited to attempts to move young people into employment, thereby subjecting them to the discipline of the market and wider value relations. The dominance of this strategy highlights how the local state in Greater Manchester favours neoliberal solutions to the contradictory outcomes of capitalist accumulation. Although there have been some attempts at social democratic strategies – such as promoting headline sectors – these have generally led to the increased power of private capital. This outcome is made worse by the near total exclusion of other stakeholders from governance decision in Greater Manchester, which has resulted in a depoliticised local state dominated by the executive branch.

The expansion of low-paid, de-skilled, intensified, and insecure work is an outcome of local state action. This chapter has revealed how the local state is relatively ineffectual at promoting employment in high-quality employment, leading to individual employers providing their own training and skills policies which generally do not greatly benefit young workers. These developments are closely tied to institutional composition of the British state, which has fostered a marketised, voluntarist approach to VET provision and education more generally. The work and employment problems for young workers are made more acute by shifts in British political economy which have led to greater influence being acceded to private capital at the level of local economies. Local economic change is evident in the growth of ‘entrepreneurial urbanism’ in local policy development and a prevailing local economic strategy which is unquestioned by local state actors, wherein young workers are a source of cheap labour-power for service sector employers. The specific of how the labour-power of young workers is used by local employers will now be considered in Chapter 6, which will compare and
contrast its usage in more detail by conducting case studies of six employers in three different ‘headline sectors’ of the local economy. The findings from these workplace case studies will then be combined with findings from Chapters 4 and 5 in Chapter 7.
Chapter 6 – The relationship between young workers and local employers in Greater Manchester

Introduction

This chapter examines the research question: what is the relationship between young workers and individual employers in Greater Manchester? The chapter does so by examining how the labour-power of young workers is used by employers in Greater Manchester. The chapter is made up of six case studies of employers from three sectors of Greater Manchester’s local economy (an overview of the six case studies is presented in table 8, below). Two case studies focus on employers in manufacturing, a further two case studies examine business services employers, and the final two case studies explore two employers in the digital and creative sector. The Chapter has the following structure: Section 1 presents evidence from the manufacturing sector, focusing on the business strategies employers pursue and how these impact upon young workers via: recruitment, skilling, and training practices, career progression, and working conditions. Sections 2 and 3 follow the same structure as Section 1 and explore business services employers, and digital and creative and employers. Section 4 offers a discussion of the findings and a conclusion, as a prelude the analysis presented in Chapter 7.

The three sectors which have been selected provide evidence of the employment opportunities which exist for young workers in Greater Manchester. Manufacturing is viewed by local state managers as a sector which provides high-quality employment, although the manufacturing sector in contemporary Greater Manchester employs a lower percentage of young workers than in previous decades. 5.3% of 16-24 year olds work in manufacturing in Greater Manchester as of 2011, down from 21% of 16-24 year olds in 1981 (Coutts et al., 2007;
AGMA, 2009; ONS, 2012). Business services is one of the largest sectors in terms of employment for young workers (15.9% of total youth employment in Greater Manchester), although employment quality in this sector is variable. The digital and creative sector is often perceived as a site of new working practices and a sector which young people desire to work in61 (McKinlay & Smith, 2009). All three sectors are promoted as ‘headline sectors’ by local state planners in Greater Manchester, meaning they are perceived as vehicles for local economic development and are therefore recipients of local state support (as detailed in Chapter 5).62

The findings presented in this Chapter illustrate a variable picture of employment quality for young workers. There are clear distinctions between the three sectors studied in terms of: business strategy, recruitment, skills, and training policies, and working conditions. There are also differences within sectors, most notably in the creative and digital sector. The findings highlight the existence of high-quality jobs for young workers in the manufacturing sector which are the result of business strategies of employers in this sector. Manufacturers require skilled workers who are in turn well-remunerated for their labour and who experience generally favourably working conditions. Employment conditions in the manufacturing sector contrast starkly with those in the business services sector. This sector is characterised by a business model based on low-value added production, which requires low levels of skilling, training, and offers limited progression opportunities for young workers. Resultantly, remuneration and working conditions are both poor. Employment conditions in the creative and digital sector are variable. Findings from the creative case study show conditions to be similar to business services, although with some differences which makes work and employment favourable for young workers. Evidence from the digital

61 As evidenced by the numbers of people who work other jobs whilst they try and establish a career in the arts (Christopherson, 2009).
62 See Chapter 3 for a more detailed explanation why these sectors have been chosen.
case study indicates a business strategy which has parallels with manufacturing, in that there are high-quality employment opportunities for young workers.

1. The Manufacturing Sector in Greater Manchester

1.1. Manufacturing Case Study 1 – Globits Manufacturing: overview and business strategy

Globits is a transnational conglomerate operating in several industrial sectors, chiefly: manufacturing, energy production, transport and infrastructure, healthcare, and financial services. Globits is a global market-leader in several of these sectors, including manufacturing (Globits company documentation, 2017). Globits employs around 15,000 staff in the UK, 6,700 of which are employed in the manufacturing sector (Globits company documents, 2016a; 2017a). The Greater Manchester Globits site specialises in the manufacture of equipment for industrial automation and was established in 1998. The site employs over 1,000 staff; approximately 30% of which are aged 35 or under. The site employs over 50 apprentices and over 25 graduate interns (Interview, recruitment manager, November, 2015; Globits company documents, 2016b). There are close links between Globits and local state actors in Greater Manchester. A senior Globits manager sat (until 2017) on the GMLEP and AGMA have been supportive of the growth and development of Globits. This support has manifest in: the granting of planning permissions for expansion, promoting Globits through AGMA’s ‘headline sectors’ policies and supporting Globits’ links with local schools.

63 The site also produces equipment for transportation, renewable energy generation, and some of the conglomerate’s administrative services are run from the Greater Manchester site. This case study focuses exclusively on employees in the advanced manufacturing division of the Manchester Globits site.
colleges, and universities (detailed in section 1.2, below). Globits’ business strategy is based on the production of advanced machinery for use in other advanced manufacturing subsectors. Production necessitates a skilled labour force which Globits maintains through in-house training and links to local education institutions. Globits is German-owned and headquartered, and appears heavily influenced by German industrial manufacturing practices such as: high levels of employee training, long-term planning and investment, and the inclusion of organised labour in decision making processes (Fiss & Zajac, 2004; Bergfeld & Weber, 2011; Globits company documents 2016a).
## Table 8: Overview of 6 case studies

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<thead>
<tr>
<th></th>
<th>Manufacturing</th>
<th>Business Services</th>
<th>Creative and Digital</th>
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<tr>
<td><strong>Sectors</strong></td>
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<td>Globits Manufacturing</td>
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<td>Woodfields Manufacturing</td>
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<td>Red Door Business Services</td>
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<td>Tolimont Business Services</td>
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<td>Socrates Technologies</td>
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<td>The Castle Theatre</td>
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<td><strong>Product/Service</strong></td>
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<td>Equipment for industrial automation</td>
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<td>Machine tools and compressors</td>
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<td>Fundraises on behalf of charities</td>
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<td>Communication packages- phone lines, line rental, internet provision</td>
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<td>Computer software, phone apps, digital campaigns</td>
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<td>Theatrical entertainment, corporate events/training</td>
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<td><strong>Market/sector position</strong></td>
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<tr>
<td>A global market leader</td>
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<td>One of several market leaders in specialised sub-sector</td>
<td>not a market leader—relatively stagnant competitor in B2B communication s sub-sector</td>
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<tr>
<td>One of several market leaders in specialised sub-sector</td>
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<td>One of several market leaders in specialised sub-sector</td>
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<td>National market leader in its sub-sector</td>
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<td>Not a market leader nationally or locally</td>
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<tr>
<td><strong>Level of completion</strong></td>
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<td>e.g. local, nation, global</td>
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<td>Predominantly national</td>
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<td>Global</td>
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<td>National</td>
<td>Predominantly national</td>
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<td><strong>Years in Greater Manchester (GM)</strong></td>
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<tr>
<td>19 years</td>
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<td>12 years</td>
<td>19 years</td>
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<td>156 years</td>
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<td>9 years</td>
<td>45 years</td>
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<td><strong>Other offices/sites?</strong></td>
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<td>Yes – Globally</td>
<td></td>
<td>Yes – UK, Germany and China</td>
<td>Yes - UK</td>
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<td>Yes – UK</td>
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<td>Yes - UK</td>
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<tr>
<td><strong>Number of employees at GM site (all-age)</strong></td>
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<tr>
<td>Over 1000</td>
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<td>92</td>
<td>200</td>
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<td>110</td>
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<td></td>
<td>40</td>
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<tr>
<td><strong>Number of young employees at GM site (18-25)</strong></td>
<td></td>
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<tr>
<td>~275</td>
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<td>77</td>
<td>~100+ (around 75% aged 18-35)</td>
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<tr>
<td>~20 (over 80% of workers aged 18-35)</td>
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<td>~25 (80% of workers are under 30)</td>
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<td><strong>Occupation of young workers analysed</strong></td>
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<td>Employees directly involved in manufacturing process</td>
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<td>Employees directly involved in manufacturing process</td>
<td>Administrator s and Fundraising teams</td>
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<tr>
<td>Call-Centre workers</td>
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<td>All non-managerial employees</td>
<td>All non-managerial employees</td>
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<td><strong>Graduate scheme?</strong></td>
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<td>Yes</td>
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<td>Yes</td>
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<td><strong>Apprentice scheme?</strong></td>
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<td>Yes</td>
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<td>No</td>
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<td>No</td>
<td>Partial</td>
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<tr>
<td><strong>Interaction with state actors and institutions?</strong></td>
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<td>Yes – substantive</td>
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<td>Yes – moderate</td>
<td>Yes – moderate</td>
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<td>Yes</td>
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<td>No</td>
<td>Yes – minor</td>
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<tr>
<td><strong>Recognises trade unions?</strong></td>
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<td>Yes</td>
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<td>Yes</td>
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<td>Yes</td>
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<td>Yes</td>
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*Source: company data; interview data; BVDFame data*
1.2. Recruitment, skills, training and career progression for young workers at Globits

Globits has a well-developed recruitment and training system in order to maintain a regular supply of skilled workers. Globits employs young workers through apprenticeships, graduate recruitment schemes, and standard all-age employment routes (Interview, recruitment manager, November, 2015). Globits has over 500 apprenticeships in training across the UK and a 2016 review of apprentice provision at Globits found it to be outstanding in every category; over 90% of apprenticeships at Globits in the UK are at an Advanced level, which is equivalent to an NVQ level 3 qualification (Ofsted Report, 2016; unionlearn, 2017).

Globits’ UK graduate scheme recruits over 100 graduates each year, and is spoken of favourably by participants (Interview, Graduate Engineer, November 2015; The Times, 2017). The scheme specialises in the recruitment of: ‘engineering, management, and finance candidates...60% [are] engineering. The main thing we look for is candidates being interested in the job...and having ambition, [and] being passionate [about the job]’ (Interview, Recruitment Manager, November 2015). The graduate scheme receives large volumes of applicants: ‘there has been...increases in volumes of applications in the last five years...[but we still have] skills shortages [at the Manchester site]’ (Interview, Recruitment Officer, November 2015).

The volume of applications for entry-level positions such as apprenticeships, graduate internships, and other entry-level roles highlights the desirability of work at Globits. One interviewee noted the Greater Manchester site ‘used to receive around 9,500 applications for entry level positions, this has grown to 15,000 [as of November 2015]...[but] there are only ever about 200 roles
available!' (Interview, Recruitment Manager, November 2015). Determining intakes of apprenticeships and graduate interns is facilitated through communication between different branch-plants across the Globits conglomerate. Forecasts for required skills are shared between different businesses and this knowledge is used by HR. Although the process by which information is shared can often be ‘slow to respond to changes in demands [in different parts of the business]’ it is viewed as being largely quite reliable in securing apprentices and graduates of a ‘suitable calibre’ (Interview, Recruitment Manager, November 2015). Globits’ graduate and apprenticeship schemes are complemented by ‘reach-out schemes’ which it runs with local educational institutions in Greater Manchester. The relationship between Globits and local universities is emphasized as being important by interview respondents, as it: ‘connects [Globits] to ten potential universities who can supply us with skilled labour in the future’ (Interview, Recruitment Manager, November 2015).64

1.3. Working conditions for young workers at Globits

One young engineering graduate discussed how working conditions at Globits were of a decent quality: ‘the [in-house] training provided on the [graduate] scheme means that you can move around [within Globits] if you want to later on [in your career...Also], the [work] environment feels quite progressive...you can be working on something knowing that it is going to have some use...[and] you can get on with your work without someone looking over your shoulder...apparently you can get flex (sic) working [arrangements] if you’ve been here a while’ (Interview, Engineering Graduate, November, 2015). These

64 The connection between Globits and local universities is maintained by the CEO of Globits acting as an ‘ambassador for the business’ (Interview, recruitment manager, November 2015) on various industry boards and local state bodies. The period in which a senior Globits manager was on the board of the GMLEP was also a period in which the Vice-Chancellor of a major Greater Manchester university was a fellow board member.
comments highlight the existence of an internal labour market within Globits which allows for progression; this point is supported by documentation detailing how graduates can undertake training abroad as one of their placements, potentially leading to career opportunities in Globits’ global network of branch-plants (Globits Documentation, 2016c). Interviewee responses indicate there is a degree of autonomy for young graduates due to lack of direct constant supervision, as well as possibilities for control of one’s own working time. The average salary for a graduate engineer at Globits is £27,000; this figure was slightly higher than the average salary for an engineering graduate in the UK in the same period, and was significantly higher than the average salary of young workers across Greater Manchester (which is £11,508, as detailed in Chapter 4) (Interview, Globits engineering graduate intern, 2015; New Economy, 2016b; 2016c; The Times, 2016).

The production process at Globits is characterised by a high level of technological utilisation, requiring a workforce with relatively high levels of technical skill. This form of production can be inferred from: the commodities Globits produces, the workforce profile and the content and level of training provided to apprenticeships and graduates. Young workers at Globits are regularly employed in roles requiring high levels of technical capacity and skill; this is at odds with the labour market in Greater Manchester more generally, which is characterised by below-average levels of skill utilisation for young workers (as illustrated in Section 2 of this Chapter).

Globits provides quality employment opportunities for young workers and offers secure, well-paid, skilled jobs with promotion opportunities. Globits has well-developed links with educational institutions and the company contributes to the economy through job-creation and taxation. One factor which supports these high-quality working conditions is Globits’ organisational structure, which gives representation to a range of stakeholders, notably trade unions. Globits operates
a European Works Council which provides voice to workers from various local trade unions. In the UK the a sizeable amount of Globits’ employees are represented by the Unite trade union. There has been no recent industrial action at the Greater Manchester Globits site. Amicability between Globits and its employees is in part due to the Greater Manchester site being a ‘flagship site’ because of its specialisation in advanced technologies and its continuing expansion. Interviewees had little to say when asked about trade unions, other than they are ‘there if [employees] ever need them’ (Recruitment Officer, Interview, November, 2015). The comment indicates the low levels of industrial unrest at the Greater Manchester site.

The nature of the labour process at Globits leads to favourable outcomes for young workers. Advanced manufacturing necessitates a highly trained workforce which can demand high levels of remuneration. The nature of production in the advanced manufacturing sector also requires a degree of worker discretion and job flexibility. Employees at Globits’ were divided into teams and were able to collectively decide how they used their time in order to complete tasks and accompanying administration; these decisions were made with autonomy from managers (Graduate Engineer, Interview, November 2015). The advanced nature of manufacture at Globits’ Manchester site means it is highly placed in Globits’ internal value chain. This positioning meant employees at the site were relatively shielded from the effects of the financial crisis of 2007; employees did not have to take pay cuts or work reduced hour because the commodities produced at the Greater Manchester site were specialist and therefore did not experience a slump in demand. Staff at a neighbouring Globits branch-plant which was not involved in advanced manufacture had to take pay cuts of 20% and work reduced hours (the Manufacturer, 2012).

The site is currently in the process of undergoing significant expansion, which will result in the site almost doubling the size of its workforce over the next ten years (Interview, recruitment manager, November, 2015)
1.4. Manufacturing Case Study 2 – Woodfields Manufacturing: overview and business strategy

Woodfields specialises in the manufacture of machine tools and precision gears and motors which are used in industrial and domestic appliances (Woodfields website, 2016). The company was founded in Greater Manchester in 1861 and the majority of production still occurs locally. Woodfields employs over 220 staff across all its UK sites; around 110 are employed at the Greater Manchester site. The average worker age is 42, and around a third of employees are aged below 25. At any one time the company has around 20 apprentices working on-site (BVD, 2016; Woodfields website, 2016; Interview, HR Manager, February 2016).

In the early 2010s Woodfields developed small scale operations in China after having been purchased by a Chinese corporation in 2010. This development was supported by the Woodfields’ CEO ‘as it became obvious early on that [the new Chinese owners] weren’t interested in stripping the business’ (BBC News, 2012). This comment was made in the context of Woodfields’ previous owners - a private equity firm – having tried to maximise short-term profits through a strategy which involved taking out short-term loans from banks which were subsequently affected by the 2007 financial crisis. These banks were found to have behaved improperly, and a consequence of this was Woodfields had its financial assets frozen in 2009 (China Daily Europe, 2013). The CEO of Woodfields’ expressed a negative view of the private equity firm’s short-termism, noting that: ‘these [private equity] guys said to me “we are not interested in long-term development of [Woodfields. We paid 5 million [pounds] for [Woodfields]
Woodfields receives support from local state actors in Greater Manchester due to it being a headline sector employer. This support takes the form of assistance from MGC agencies to attract investment (Interview, CEO, February 2016). Woodfields is also promoted by the local state actors because the company is viewed as an example of inward FDI leading to a company – which was formerly at risk – being able to grow and expand, resulting in more local employment and increased tax revenues. Woodfields has also received awards and endorsements from national state actors for its longevity in the UK, its commitment to its workforce, and its repeated contribution to the British economy (Interview, CEO, February, 2016).

1.5. Recruitment, skills, training and career progression for young workers at Woodfields

The position of young workers at Woodfields is affected by the demands imposed on the company through competing in the manufacture of advanced precision tools. In an interview with the CEO it was revealed the strategic direction of the owners was long-term investment and development of the company:

‘[the strategy of Chinese company which owns Woodfields] is that “we’re going to buy this, going to build this company up, or we’re going to generate income from this business in the long-term.”…they’re talking about 15-20 years, as a forward strategy. So they bought this business – for two reasons. First of all, its brand strength, its...position in the market – [they] saw a very strong company, a great opportunity in the market - but secondly for its ability to
transfer technologies to improve and upgrade [the business] infrastructure in 
[the parent company’s 40 existing companies] in China.’ (Interview, CEO, 
February 2016).

This long-term business development strategy is seen as beneficial by the CEO 
as it allows the company to focus on research and development which is necessary 
to compete at the upper-end of the market:

‘[we] invest somewhere between 12-15% of...sales revenue into R&D and 
product innovation. My target is 20%...[b]ut 15% is pretty good, in fact the 
industry standard is far lower than that.  [It has] enabled us over the last five 
years to invest and develop...world-beating products, we’ve got one or two 
machine tools that are better than anything anyone has got. And our competition 
isn’t low cost...we’re playing at top-end of market, and we’ve got disadvantages 
against all our competitors due to the skills base in our country.’ (Interview, 
CEO, February 2016).

Woodfields’ business strategy has implications for young workers. A secure, 
long-term financial backer willing to maintain invest in long-term product 
development has allowed Woodfields to develop a skilled, capable workforce 
necessary for the company to continue competing at a high level of technical 
specificity. The workplace development of young workers at Woodfields occurs 
in part through the apprenticeship programme:

‘...we take on 5 or 6 apprentices to the UK business, and we always have done, 
and I’d like to increase that number. Until recently we’ve had our own training 
school [but we don’t anymore] – we actually use [local nearby town]’s 
facilities...these are technician apprentices, so we expect applicants to have good 
GCSEs and be able to be educated up to a high standard...our [attitude to] 
apprenticeships and recruitment has been pretty constant throughout that period, 
and will continue to be. Something like 60% of the industrial workforce and
engineering staff [have] come through the business as an apprentice. And this business has been around since 1860. So you know, over the last 30 years it has got a lot of people very well-established [in their careers].’ (Interview, CEO, February 2016).

There is a well-developed system of employing young people as apprentices and providing them with training which is of a high enough standard to allow them to progress into more senior engineering roles in the workforce. This system is evidence of there being a well-developed internal labour market for young workers at Woodfields. Further responses illustrate this point:

‘...we have won awards for apprenticeships...in the first year will take them to training centre in town – and then they come in [to work at Woodfields] and they’ve a very structured 3 years [of work], so [an apprenticeship] is 4 years in total...we believe passionately in the apprenticeship system [and] I’ve scarified salary and asked senior managers to [do the same] so that we can continue to bring apprentices in, I believe so passionately in them.’ (Interview, CEO, Woodfields, February, 2016).

There is no graduate scheme at Woodfields. The HR manager was explicit on this point:

‘There is this whole obsession we’ve got [in the UK] with university, driving everybody to have a damn degree when they don’t need it. And [it’s linked to the] erosion of the value, or perceived value, of an apprentice...[or] vocational training route, and developing skills [whilst working]. All of that is against us in this country, and I – we’re in a little corner here at [Woodfields] trying to fight our own battle and trying to win this battle.’ (HR manager, Interview, February, 2016).
Woodfields is not opposed to employing young workers who are educated to degree level. As one respondent stated:

‘...if [our young workers are] successful in [their apprenticeships] we’ll sponsor them in degrees...most of the engineers here – we’ve got a very competent team, we have 5 PhDs here....very often [they have] been sponsored right through, so we’ll keep them here, keep funding them...[w]e just ask them to sign a contract to stay with us after study for a couple of years, just to protect us.’ (Interview, CEO, February 2016).

Woodfields is committed to training its young workers. The main motivation for this provision is to supply the company with the talent to compete internationally; this is seen as necessary due to the limitations of the UK’s VET system.

1.6. Working Conditions for young workers at Woodfields

The labour process for young workers at Woodfields is shaped by the complexity of the manufactured goods which the company produces. The production process necessitates a highly skilled workforce which is able to operate complex machine tools and manufacture to a precise standard. This need is illustrated by respondent comments:

‘...there is a lot of skill involved [in the production process] – there’s not as much automation here as there should be as the costs are so high. We can never fully automate as [our production process] is a very labour intensive process. But we ought to have more capability in our machine areas so we are able to [produce more accurately]. We’ve got some very old machines. To machine parts accurately would mean buying a new machine [at] £2-3 million. Instead we use old machines to get close, and then hand fashion parts. That is a very labour
intensive process, a very costly process....it will come [in the future], more automation instead of more intensification of labour. ’ (Interview, CEO, February 2016).

Financial and technical restrictions prevent increased automation, resulting in a highly labour intensive manufacturing process which requires skilled labour. Woodfield has met this need through developing an internal labour market which has the additional effect of providing substantive training and career progression opportunities for young people.

Levels of remuneration at Woodfield reflect the complexity of the labour process. The majority of employees earn in excess of the National Living Wage (£7.20 in 2016), and apprentices receive wages above the national minimum for apprentices (£3.40 in 2016) (Interview, HR manager, February 2016). There are also rising levels of remuneration per employee during a period when overall employment at the company is also increasing. The average wage per employee at Woodfields is £41,943; from this it can be inferred that wage levels for young workers are set at a decent level (BVDFame, 2016). This point is supported by the fact senior managers have taken pay cuts to improve conditions for young workers at Woodfields (Interview, CEO, February 2016). The possibility of high wages for young workers is also strengthened by the fact that Woodfields recognises unions and has a positive working relationship with them (Interview, CEO, February 2016).

The work and employment conditions are generally favourable for young workers at Woodfields due to the existence of: a well-developed training and recruitment scheme, high levels of remuneration, and trade union recognition. These employment characteristics are the result of the Woodfields’ business strategy, which is predicated on the production of advanced manufacturing tools requiring a high level of skill and relatively high levels of technological utilisation. The
productive process at Woodfields precludes the possibility of rapidly deskilling and degrading the labour process in a way which would be to the material detriment of employees. Conditions at Woodfields contrast sharply with the prevailing business model of business services employers in Greater Manchester, two of which will now be explored.

2. The Business Service Sector in Greater Manchester

2.1. Red Door Business Services: overview and business strategy

Red Door Business Services is a business services company which provides fundraising services to the charity sector. Although Red Door works exclusively with charities it is a privately owned, for-profit company. Red Door’s business strategy is based on employing fundraisers who go door-to-door in residential areas and attempt to persuade individuals to donate to the particular charity Red Door has a contract with. The company was founded the UK in 2003 and has 16 offices across the UK from which fundraisers operate. Red Door is a market leader in its sub-sector and its success is attributed to the: ‘good reputation [Red Door] has with clients....we get a lot of repeat business. Other companies often get smaller charities that people don’t know the names of, we get the big charities...[this is] down to amount of time [we have] been open.’ (Interview, Office and Recruitment Manager, April 2016). This quote highlights the perceived importance of Red Door’s longevity in helping it win contracts from major charities. The company has been able to compete its way to become a market leader, resulting in it developing a reputation which re-enforces its market-leader position.
Red Door employs 1,311 workers nationally (BVDFame, 2016). The Greater Manchester office employs 92 people: 7 of these are administrators and managers, 15 are team leaders who manage teams of fundraisers, and 70 are fundraisers. Three of the seven administrators and managers are under-25, and around 90% of team leaders and fundraisers are aged under-25. The Greater Manchester Red Door office has no connection to, or support from, local state actors or institutions, or from the national state. (Interview, Office and Recruitment Manager, April 2016). Red Door does not compete internationally. Red Door’s business strategy is based on the need to constantly win contracts and deliver results (measured in terms of charitable donations) in order to receive full-payment and win future contracts. Red Door has developed a strategy to achieve these business aims which is predicated on employing large numbers of employees who work to defined targets; this process is detailed below.

2.2. Recruitment, skills, training and career progression for young workers at Red Door

Recruitment is a key aspect of Red Door’s business model. The company must maintain a workforce of fundraisers and team leaders whose aim is to meet a range of fundraising targets set by head office. A key target is the ‘overall shifts’ target which requires 350 shifts to be worked by each office each week, with each individual shift being 5.5 hours long (Interview, Office and Recruitment Manager, April 2016). During each shift a fundraiser is expected to sign-up two individuals to donate to the charity Red Door has a contract with, although a 1.5 daily sign-up average is seen as ‘acceptable’ by managers, in part because each team of fundraisers (5-8 fundraisers per team) must maintain a sign-up average of 1.2 (Interview, Office and Recruitment Manager, April 2016). Targets – both
for the office and individual fundraisers - are viewed as being ‘very hard to meet’ because Red Door experiences high staff turnover. One respondent noted: ‘I’ve never known staff turnover like it. 30% of those [employed as fundraisers] only do a day – they get out there, hate it, and leave. Most managers do about 6 months…and that’s actual managers, not team leaders!’ (Interview, administrator, April 2016).

Difficult targets and high staff turnover means Red Door has a constant focus on recruiting new employees. Recruitment is a multi-stage process consisting of a phone interview, group interview, and unpaid 2-day assessment centre. One respondent noted that the recruitment process is: ‘quite a lot of [effort] for a job with such low-pay…[but]…it’s not [a] hard process…as long as people show they can speak English and don’t seem too weird they’ll get through [the] assessments…if you have anything about you you’ll pass [and be employed]’ (Interview, Office and Recruitment Manager, April 2016).

The extreme lengths which Red Door recruiters go to in meeting recruitment targets is encapsulated in one interviewee’s response:

‘[we have] adverts designed to trick people into coming for a job, and then the recruiter is meant to objection handle [applicants] into coming for an interview...back when I was a recruiter an advert would go up online saying “want to do D-2-D [door-to-door] fundraising? £7 an hour, call us”. Now our adverts say “got call-centre experience?” and [don’t mention door-to-door]. They’ll probably mention fundraising somewhere, but you wouldn’t know if you applied that it was D-2-D. The recruiter role has gotten harder, as it used to be case people knew what they were applying for, but now that isn’t so….it’s people applying who don’t want to do D-2-D….so even if you persuade [applicants] on the phone, then it’s unlikely they come to interview as they realise after they put the phone down…I think it’s our national recruiter cooking the books a bit – he’s
got targets he needs to meet...he is basically getting numbers that shouldn't exist...he’s using seedy tactics, which for a supposedly ethical company isn’t brilliant” (Interview, Office and Recruitment Manager, April 2016).

The difficult and demanding nature of work at Red Door is illustrated by the fact that job adverts for Red Door do not disclose the nature of the work being done. It is also highlighted by the fact applicants have to be ‘objection handled’ into attending an interview, a technique usually reserved for dealing with customer complaints in customer service roles.

There are no graduate or apprentice schemes at Red Door and recruitment is undifferentiated by age. The majority of applicants are young people, and the profile of older applicants is often ‘people who haven’t had much success elsewhere, people still jumping job-to-job at 40.’ (Interview, Office and Recruitment Manager, April 2016). There is little substantive training or skills development at Red Door. As one recruiter observed: ‘a lot of the 2-day assessment is training for the job. On the first day out fundraising the team-leader is meant to spend the whole day with new starters, so the new starter can hear what is said...After that there is a weekly training session in the office, which is mandatory but unpaid...there’s little bits of training here and there, but nothing structured’. (Interview, Office and Recruitment Manager, April 2016). The training provided at Red Door is job specific and there is no opportunity to undertake any accredited or recognised qualification. The skills which managers perceive as necessary for fundraising are general skills, notably: ‘positivity, determination, people skills and persistence...you’ve gotta (sic) be pretty thick-skinned [for this job] – if you can’t handle people having a go at you then you won’t last more than a few days. But to get money out of people you’ve got to have good people skills, got to be able to build rapport quickly as people don’t give you much time [on their doorstep].’ (Interview, Office and Recruitment Manager, April 2016).
There is little in the way of career progression, or a defined internal labour market at Red Door. The company is organised horizontally; in each office there are around 6-8 managers and administrators, and then there is a slightly larger stratum of team leaders. The majority of employees – over 75% – are fundraisers, working for NMW (plus bonuses, detailed in section 2.3, below). Team leaders are usually promoted internally, and some office employees were formerly fundraisers.

2.3. Working condition for young workers at Red Door

Working conditions at Red Door vary depending whether an individual is employed in the office or whether they work as a team-leader or fundraiser. The labour process for office workers is characterised by the undertaking of repetitive administrative tasks. As one respondent described their role:

‘I’m responsible for new starters having correct documents to work with us, responsible for checking their criminal records...[I’m] in charge of all the admin, where teams go, so everything from disciplinary hearings to return to work interviews. Awful lot really. Loads of small jobs...keep things ticking over...I do the small things so the higher managers can manage.’ (Interview, Administrator, Red Door, April 2016).

Two major problems which impacted office workers at Red Door were the work rate and the lack of effective management or strategy from national headquarters:

‘When I was a recruitment manager [in 2011] my hours were 9-9 every week at that point, it was expected of me, which isn’t really on for 18 grand (sic) [a year]!

66 The Office and Recruitment Manager and administrator interviewed for this research were both formerly fundraisers.
That's when I left the company. When I came back [in 2015] it seemed to have been sorted out, hours were more realistic…but as I’ve seen recently, they've built in extra hours for managers without paying them anymore. And it is more intense working conditions, this always goes along with the fact that the company doesn't have an overriding aim, decisions seem to be made without much thought....I don't think there is any strategy.’ (Interview, Administrator, Red Door, April 2016).

The above comment explicitly highlight intensified working practices and the manner in which productivity increases are made through extending the length of the working day without corresponding increases in salary. The intensified working practices for administrative staff are shown to be compounded by the lack of a coherent strategy from more senior managers.

For fundraising teams at Red Door the working day is centred on the need to meet sign-up targets. This goal was incentivised through offering paid bonuses and enforced through the use of monitoring technology which takes the form of a: ‘tracker that the team-leader has on their phone that tracks where they go, which stops people finishing [their shift] early and going to the pub. In the main it has worked – things have gotten better, but through force.’ (Interview, Administrator, April 2016). The implementation of monitoring technology indicates a decline in worker autonomy and discretion and an increased intensification of work which is also illustrated by the constant pressure to meet shift targets. Pressure to meet targets has led to a policy wherein: ‘any office [that’s] not hitting shift targets, every manager then has to go out and get three sign ups per week. This takes quite a bit of time, and admin managers, deputy managers, they think recruitment isn’t their job and that they’re being punished for the recruiters not doing their job properly’ (Interview, Office and Recruitment manager, April 2016).
The normal shift duration for fundraising teams is 3:30pm-9pm, although ‘staff need to be available from 1:30[pm] each day’ as fundraising occurs in residential areas which are often a long distances away from central office, and which have to be travelled to (and back from); this travel time is unpaid, and means that teams are ‘actually out the house about 9 hours a day with the travelling’ (Interview, Office and Recruitment Manager, Red Door, April 2016). Many of the issues of labour process intensification, limited discretion, and low skills utilisation come together in the issue of pay and remuneration at Red Door. The basic pay level of pay for fundraisers is NMW (£7.20 in 2016). The hourly rate for team leaders is £2 per hour above the NMW. The salary of office staff is £16-18000 per annum.

There is the potential for fundraisers to earn large bonuses by exceeding sign-up targets: ‘bonuses [are awarded] for number of sign ups, and the more this happens, the more bonus goes up [as a percentage]. Bonuses are uncapped, and a couple of fundraisers are making £1500 a week – it’s a big motivator...there are some people who earn 40k a year doing exact same job, but just better, through bonuses...so there’s a huge gap, [there are] probably about 10 people in the office earning really good money, everyone else is struggling.’ (Interview, Office and Recruitment Manager, April 2016). This quote illustrates how employees can improve their material conditions from exceeding sign-up targets, rather than from progressing in the company and being promoted. These targets are however difficult to meet; only 10 employees out of around 85 team members hit their targets.

Bonuses are arbitrarily denied to employees, further evidencing how difficult it is to achieve them: ‘[head office] brought in this £50 bonus scheme recently, and then had to start cancelling people’s bonus because they didn't think it would motivate them in the way it did. They thought it would motivate them to do better, which it has, but has also motivated them to behave unethically...because staff
want that £50...so the company has been cancelling bonuses and have made themselves look daft, which is not good for keeping on staff” (Interview, Office and Recruitment Manager, April 2016). Low levels of remuneration – which can only be improved through meeting hard to reach targets and being awarded a bonus – are sustained by the lack of any union presence at Red Door: ‘There’s no trade unions at the place, but [there] should be. Only recently staff have started talking about it, as the company keeps getting away with more and more. But no, workers do what [the] company tells them to, there’s no fighting back’ (Interview, Administrator, April 2016).

Red Door’s business strategy shapes work and employment conditions for the young workers it employs. This strategy is based on employing large numbers of cheap, undifferentiated labour to engage in target-based work. This employment is poorly remunerated and there are limited opportunities to progress into higher-quality, salaried employment. These conditions are also prevalent in the next case study; Tolimont Business Services.

2.4. Tolimont Business Services: overview and business strategy

Tolimont Business Services is a business services company which specialises in business-to-business (B2B) sales of communications services, chiefly phone-line rental and internet packages. Tolimont was established in Greater Manchester in 1998 where it is headquartered and operates a large sales and customer services call-centre. Tolimont has a business strategy which is reliant on hiring large numbers of low-paid employees to make large volumes of sales calls each day. Tolimont employs around 700 staff nationally, of which 200 are employed in the Greater Manchester site. Of these 200 staff: 100 work in customer services, 50 work in sales, and 50 work in administrative roles, including the senior
management team. Over 50% of employees at the Greater Manchester site are aged 25 or under, and a further 25% employees are aged 25-35. The remaining 25% of staff are aged 35+. Tolimont runs a graduate recruitment scheme, and an in-house apprenticeship scheme. The Greater Manchester site employs around 10 graduates and 5 apprentices (Interview, Recruiter, December 2016). Tolimont has no working relationship with local or national state institutions or actors, and does not trade internationally.

2.5. Recruitment, skills, training and career progression for young workers at Tolimont

Recruitment is constant at Tolimont. The company experiences high levels of staff turnover with the problem being more severe in the sales call-centre, where: ‘turnover is unbelievable - there are 5 to 10 people a week coming and going, out of a team of 50’ (Interview, Call-Centre Worker, December 2016). Recruitment methods include: online and physical advertising, and referrals from existing staff. The recruitment process entails a phone interview followed by a face-to-face interview. Training provision at Tolimont is limited and is restricted to equipping workers to undertake job-specific tasks relating to the product being sold. If an applicant is successfully employed there is a two-week training process covering: phone scripts, products sold, and objection handling. Alongside basic training there are occasional days throughout the year where employees are trained on new products or procedures (Interview, Call-Centre Worker, December 2016). There is evidence to suggest Tolimont’s graduate and apprenticeship schemes are of a relatively low-quality compared to similar schemes in other sectors such as manufacturing. Interviewees commented that: ‘graduates who come to work [on the scheme] here just get skipped up to
supervisor level and don’t have to work on the [call-centre] floor first – only difference there is; they don’t get paid any more’ (Interview, Recruiter, December 2016). Similarly the apprentice scheme at Tolimont - although offering NVQ 3 level qualifications - primarily focuses on apprenticeships in areas such as customer services, which has fewer opportunities for progression than more technical apprenticeships in areas such as engineering. One interviewee noted there had been 16- and 17-year olds working in the call-centre ‘doing the exact same work as 18-year old [workers]’ but being paid apprentice wages (Interview, Call-Centre Worker, December 2016).

Limited training provision and poor quality graduate and apprenticeship schemes result in limited career progression opportunities for young workers at Tolimont. These conditions are exacerbated by Tolimont’s horizontal organisational structure which has a small number of supervisors and managers overseeing a large number of call-centre workers. Tolimont’s official documents stress ‘opportunities for career development [for young workers] in all areas of the business’ (Tolimont website, 2016), although prevailing conditions challenge this claim. One interviewee noted that ‘I’ve seen a few people become supervisors, but nothing much else apart from that... there were times when managers tried to sell it to me as I had been promoted, months after it had happened, when I had to do some other work. But, there was no extra pay, no extra lee-way, no more autonomy, just a different [job title]. It was a harder job, actually’ (Interview, Call-Centre Worker, December 2016). Job titles are used at Tolimont to give the impression of a promotion, ostensibly to improve morale, but are not accompanied by increases in remuneration.
2.6. Working conditions at Tolimont

Limited training and opportunities for career progression at Tolimont are linked to low levels of skills utilisation. The labour process for call-centre workers at Tolimont is based on the repetition of a limited number of basic tasks which are broken down so they can be easily learned by employees. A typical working day was described as follows: ‘you get in [to work]...there’s a brief team meeting to get you pumped for the day...then it’s straight on the phones to try and hit targets.’ (Interview, Call-Centre Worker, December 2016). This quote indicates the lack of variation in the working day, which is dominated by the need to meet targets for: calls made, calls received and sales made. The work-rate is high at Tolimont and is enforced by technological monitoring. One respondent noted: ‘[the whole job is] monitored – [it’s] constant. What calls you’re making, when you’re making them, how long for, [managers] don’t even need to be looking at a screen to see this – the system is set up so that if you’re not doing what you’re meant to be doing then it will be flagged, and the manager will be made aware’. (Interview, Call-Centre Worker, December 2016). The respondent noted the work environment at Tolimont was structured to coerce people into working: ‘it’s not the sort of place that I would want to be sitting around doing nothing – [the] day goes quicker if you’re working. I just want to go in there, do my work and get out again as quick as possible’ (Interview, Call-Centre Worker, December 2016).

A key process through which work-rates are maintained and worker discipline is enforced is the pay and bonus system. Tolimont operates a 40-hour working week (9pm-6pm) for which the annual pay was £14-15,000 per annum. This low-pay could be topped-up through being awarded a bonus, which were awarded based on the overall performance of each team of call-centre workers (around 8-10 employees). Bonus allocation was also affected by: ‘appearance [the company
operates a strict office dress code], performance in your direct role...punctuality, no [being late] or sicknesses, feedback, progression with targets-set. Deductions are made for lateness, for being off sick and the like.’ (Interview, Call-Centre Worker, December 2016). Allocating bonuses based on team performance meant that call-centre workers exerted a disciplinary effect one another through imploring each other to work harder, meet target and be punctual. Call-centre staff did this because they wished to achieve the bonus necessary to make their salary liveable.

Respondents described a work environment in which there was an arbitrariness over awarding of bonuses, as well as examples of age and sex discrimination: ‘you’ll get you some [of your bonus] if [the manager] likes you...if they’re not keen on you you’ve really gotta (sic) work hard for anything...[it] sounds bad, but if you’re an 18 or 19 year-old woman who isn’t bad looking then you probably get an easy ride – you will be put on an easier team...Older people [35+] also get a bit of an easier time....the people who are treated the worst are younger people. If you’re just a mid-20s [to] 30s phone worker then there’s very little lee-way for you.’ (Interview, Call-Centre Worker, December 2016).

Respondents reported senior management expected a high-level of commitment from their workers, which was perceived as disproportionate to what the job paid: ‘there’s an attitude of the people who run [Tolimont], [an] expectation that [the job] is the most important thing to you. They think that you should be as invested in the company as they are, even though they’re making 10, 30 however many times you are...I find it very irritating, very unrealistic; they aren’t in touch with their workers at all...They don’t just expect a lot from us, it goes further than that, I think that they actually think that we are that invested in the company, and when we display behaviour that suggests otherwise they are surprised, shocked.’ (Interview, Call-Centre Worker, December 2016).
Employment for young workers at Tolimont displays many of the features which are typical to call-centres in the UK: a highly intensified work-rate, pervasive monitoring, low-pay, managerial discrimination, and an environment in which there were few opportunities to progress internally or improve one’s skills. These conditions are the result of a business strategy which treats young workers as a cheap and relatively disposable source of labour-power. The outcomes of this strategy are high turnover rates and a content need to recruit new staff. These conditions contrast with those in the creative and digital sector, as will now be demonstrated.

3. The Creative and Digital Sector

3.1. Socrates Technology: overview and business strategy of Socrates

Socrates Technology is a digital technology agency which specialises in the production of websites, mobile phone apps, and social media marketing campaigns. The company works exclusively in the ‘pro-social sector’ meaning that all of its clients are: ‘charities, social enterprises, or corporates [who] want a CSR [corporate social responsibility] project’ (Interview, Co-founder, April 2016). Socrates Technology was founded in Greater Manchester in 2008, where it is head-quartered and employs the majority of its employees. Socrates Technology is a market leader in the ‘pro-social’ sector as the co-founder noted when interviewed: ‘When we started in 2008 there were few others doing work that we’re doing…[we] had to persuade charities our service was worthwhile…and create a market for ourselves…as the social sector strengthens
there is more competition as more people see that money can be made from it’ (Interview, Co-founder, April 2016).

Socrates Technology employs around 40 full-time employees; the age range of staff is ‘early 20s to early 30s’ leading to the company having a ‘young feel’ and the co-founder stating that ‘I’m 42, and I’m the second oldest here.’ (Interview, Co-founder, April 2016). The majority of Socrates’ employees are programmers, designers, and developers. The remaining employees work as administrators, researchers, and in client-orientated roles, such as product support (company website, 2016). Socrates has some interactions with local state actors and institutions in Greater Manchester in the form of small-scale grants which have been awarded to boost employment in the creative and digital sector locally (Interview, Co-founder, April 2016). The company has also benefitted from apprenticeship funding (discussed in section 3.2, below) from national government and the European Union, as the co-founder noted: ‘European money has been more important than national support – a lot comes from the EU, which boosts jobs and create wealth – we’ve made a lot of [European Structural and Investment Fund] and [European Regional Development Fund] money, and EU money specifically for SMEs [small and medium-sized enterprises] as well’ (Interview, Co-founder, April 2016).

3.2. Recruitment, skills, training and career progression for young workers at Socrates Technology

Socrates advertises for candidates through online and print-media adverts. The recruitment process for potential candidates consists of an interview with one or more of the senior managers or owners of the company to determine the applicant’s suitability. Socrates does not make use of recruitment agencies ‘on
principle [because they are] motivated more by fees than by finding the right person’ (Interview, Co-founder, April 2016). Socrates operates in a market characterised by advanced, specialised digital products which require a highly skilled workforce to produce them. Interviewees commented that shortages of skilled labour were preventing Socrates from growing: ‘big companies are moving in [to Greater Manchester, which] makes it harder to find project manager, programmers – they’re all going to bigger companies. Universities aren’t keeping up with rate of change – they’re not putting out graduates to keep up with labour market change.’ (Interview, Co-founder, April 2016). To mitigate persistent labour shortages Socrates engages with various local educational institutions via: delivering guest lectures and workshops, providing workplacements for the work experience requirements, and informally interacting with educational staff to identify young people who have a talent for digital technology. The aim of this engagement is strategic, it is to ‘build a pipe-line’ of future employees who can work for Socrates upon completion of their studies (Interview, Co-founder, April 2016).

Socrates does not operate a graduate scheme or permanent apprentice scheme. The company has recruited apprentices in the past but did not keep any on as full-time employees due to their unsuitability. The company is about to hire apprentices again as the ‘apprentice system has matured’ in the UK and if ‘their wage is covered [by government subsidy] we can give them a bit more of a chance.’ (Interview, Co-founder, April 2016). Socrates is trialling a new approach of establishing a ‘digital agency within an agency...almost a [Socrates Technology] Juniors’ in place of a permanent graduate or apprentice scheme. In this new scheme university students and other young people can work at Socrates’ offices at the weekend using otherwise unused computers in the office and while under the supervision of a senior manager. The aim of this project is to: ‘identify new talent...if someone is really good we will create a job for them, so that no
other company gets them first’ (Interview, Co-founder, April 2016). This innovative recruitment process is beneficial for potential young workers as it provides them with an entry route into the company. The ‘Socrates Juniors’ programme highlights the lengths that some companies which operate in technologically advanced product markets must go to in order to acquire skilled workers.

There is little formal training for employees at Socrates. The recruitment strategy of the company is to recruit workers who are already skilled and do not need further training or development. The lack of training provision may be due to the small size of the company (in terms of overall budget and number of employees), although similar sized companies are able to provide training to employees (as demonstrated in section 3.4, below). Lack of training provision at Socrates persists in the face of shortages of skilled labour. Socrates seeks to mitigate these shortages by building closer links with educational institutions to recruit young workers, often directly out of education. Resultantly Socrates is pro-actively recruiting young workers although this is due primarily to economic necessity stemming from labour shortages rather than because of a commitment to nurturing young talent. One reason why there may be a shortage of skilled labour – aside from the economic growth of Greater Manchester and the increased prominence of larger firms – is because the skills required for digital design work are relatively new, and as such are more common among younger workers.

There are few opportunities for career progression at Socrates. This limitation is due to the small size of the company precluding the existence of an internal labour market in which there are opportunities to progress into senior roles. The company is managed on a day-to-day basis by the original co-founders and most employees work in one of three general roles (programmer and designer, administrator or customer services). Career progression for young workers at Socrates must therefore take the form of moving to another company.
3.3. Working conditions at Socrates Technology

Working conditions at Socrates are of a high standard. Employees – though operating within a narrow occupational range - have relatively high levels of discretion over their work and there are opportunities for flexible working. Persistent staff shortages in the digital sector has created a sector norm wherein employers are often unwilling to decline requests from employees due to the risk of them leaving to go and work for another company (Interview, Co-founder, April 2016). Persistent staff shortages have the potential to be disadvantageous to staff as they may lead to employees having to work harder to meet project deadlines. There is however little evidence at Socrates of intensification of work resulting from staff shortages. Interview data illustrates evidence of the converse, as employees are given time off to engage in voluntary work, and there is a well-developed flexible working scheme in place. These features of employment at Socrates are driven in part by the ethical position of both co-founders (Interview, Co-founder, April 2016).

Levels of pay at Socrates are slightly below average for the sector because most of Socrates’ clients are charities and are unable to pay the same rates as corporate clients. The co-founder stated that most of Socrates’ profits are re-invested with the aim of growing the company. The co-founder commented that they and their fellow co-founder receive a lower average salary than most employees (Interview, Co-founder, April 2016). Almost all employees at Socrates receive salaries above the Greater Manchester average because of their skills and because competition for programmers and developers in Greater Manchester drives up salaries. Employees also receive yearly pay raises in line with inflation (Interview, Co-founder, Socrates, April 2016). Trade unions are recognised at Socrates, but there was no reporting of trade union activity (Interview, Co-founder, Socrates, April 2016).
The combination of skilled workers with high salaries working for a company specialising in the production of complex digital services means that the quality of employment is high at Socrates Technology. The company is good at employing young workers— not because of their essential youngness – but because they are more likely to have particular attributes and skills which the company needs. As such, the labour-power of certain young workers is particularly valuable to Socrates Technology and the company is doing more and more to access young workers earlier in their careers, or even before they properly begin them. The shortage of skilled programmers and developers in Greater Manchester’s labour market means wage-levels remain above the median national wage, but this may diminish as labour-supply increases. Skills shortages also mean programmers and developers have a degree of autonomy and discretion in their work at Socrates. There is unwillingness on the part of managers to try and intensify or surveil the labour process as it may lead to skilled employees leaving the company and going to a competitor. At a more general level the sector in which Socrates Technology operates will – for the foreseeable future – require skilled employees to engage in a complex labour process with the aim of producing high value-added commodities. It is unlikely the company will be able to easily deskill, fragment or degrade the labour process in the near future as the success and expansion of the company shows that its current business model is working; it is for this reason that Socrates has received local state support. The variation which exists in the heterogeneous digital and creative sector and the implications for young workers is illustrated by the next case study.
3.4. The Castle Theatre: overview and business strategy

The Castle Theatre specialises in the production of theatrical and artistic performances by young performers. The Castle generates profits through: ticket revenues from live performances, renting out its performance spaces, hospitality sales, and through selling workshops and experience and training days for businesses and other organisations. The Castle also receives a revenue stream from a series of grants, both public and private. These grants are contingent on running programmes for young people with the aim of developing their skills and capabilities so that they can start careers in the arts and related sectors (Interview, Head of Finance and Operations, July 2016). The Castle was founded in Greater Manchester in 1973. It is a mid-sized theatre in relation to other theatres in Greater Manchester and is experiencing increased competition as the city grows (Interview, Head of Finance and Operations, Castle, July 2016). The market for The Castle’s product is largely domestic and limited to Greater Manchester, although the theatre has just begun to tour some of its own in-house productions internationally.

The Castle’s focus on young performers and on developing the talents of young people means that around 80% of The Castle’s workforce is aged 18-30 (Interview, Head of Finance and Operations, July 2016). The Castle employs 41 full-time equivalent staff. Of these, 6 are senior managers, 6 are employed in finance and administration, 4 are employed in marketing and sales, 10 are employed in front of house, bar, and box office roles, 8 work as technicians (sound, lighting, maintenance), and 7 are artistic and other employees (designers, commissioners, researchers, community out-reach). Around 10 employees -

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67 The Castle also has around 80 contractors working on-site as artists, performers, external trainers, and workshop facilitators. These individuals are often self-employed, rather than being directly employed by The Castle. These self-employed contractors are not the focus of this case study because most of them are not young workers.
mostly bar and box-office - are employed on zero-hour contracts. The usage of these contracts is described as ‘unfair’ and ‘something we will be moving away from…there will be no staff on zero-hour contracts [when we re-open after a refurbishment in 2019]’. (Interview, Head of HR, July 2016).

3.5. Recruitment, skills, training and career progression for Young workers at the Castle Theatre

The Castle advertises all employment vacancies through an open process. The Castle’s recruitment process is novel in that all applicants are interviewed by a panel comprising of a senior management team member and the line manager for the role. The applicant is then interviewed by a 3-person panel of young people who are associated with, but not employed by, the Castle. Both of these panels have a 50% say if the applicant will be employed. This process is designed to put young people at the centre of all of The Castle’s decision-making processes (Interview, Head of HR, July 2016). One interviewee noted The Castle was constrained by recurrent skills shortages and difficulties in retaining employees. These problems were identified as being caused by the low levels of pay which The Castle offered, as well as the limited opportunities for progression at the theatre due to its small size (Interview, Head of Finance and Operations, July 2016). The problems relating to skills were viewed by respondents as being due to the limited nature of qualifications provided by universities: ‘I’ve seen it time and time again – you do a degree which you think means you can work in an area – not a broad degree like English or maths, but something specific like finance – and you think it will equip you for the area, but it doesn't – it doesn't give workplace skills….finance is what I call a meaningless degree – it doesn't provide skills which make someone work-ready to be employed in a finance role.’
This quote illustrates the perception amongst some employers that universities are failing to provide graduates who are able to provide specific technical skills which employers require.

The Castle does not run a graduate scheme or apprenticeship programme. Interviewees report that The Castle provides a significant amount of training opportunities for its employees relative to its size: ‘we do mixture [of training]. We do appraisals and have supervision system – [employees] get something every 6 months [where we] discuss skills shortages and training needs...lots of our training is delivered in-house...our employees think [our training] is useful...the budget is small here but what we squeeze out is excellent.’ (Interview, Head of HR, July 2016).

There are limited opportunities for career progression for young workers at The Castle, leading to staff retention problems. As the HR manager noted: ‘we can’t retain good staff, staff move on, we get a lot of churn. There’s a huge cost behind that. You get people trained up so they are delivering above cost level, then they leave, so we’re right back at the bottom again.’ (Interview, July 2016). For young workers at The Castle the lack of progression opportunities means they must seek employment elsewhere if they wish to advance in their careers. This point was mentioned by the HR Manager when discussing part-time and zero-hour employees: ‘...lots of young people here have portfolio careers – they want to earn money and get skills, but also want to go off to become a writer, director etc., so they don’t want full-time work’ (Interview, Castle, July 2016). This insight highlights how The Castle acts as springboard for young workers who are wishing to advance their careers. The capacity to offer this career assistance comes from the grant-funded development programmes which The Castle operates.
Working conditions at The Castle vary depending on which area of the business employees were based in. The labour process for finance and administrative workers was characterised by the need to regularly complete standardised office duties and there was little scope for innovation or autonomy in this work. The labour process for hospitality, marketing, and sales employees was similar that of finance and administrative staff, as their work was characterised by low-levels of autonomy or skills utilisation and centred on repetition of simple tasks. In both cases the work-rate was at a relatively low pace and there were no attempts by management to try and speed-up the labour process (Interview, Hospitality Worker, July, 2016). Lack of workplace intensification may be due to the physical limits imposed on The Castle by its size; the theatre has only two performance spaces which limit the amount of revenue it can generate from ticket sales, space rentals, and related hospitality sales.

Other groups of employees at The Castle have more discretion and autonomy in their work, notably artistic and technical staff. Despite this autonomy pay is low for these workers, as it is for salaried employees at The Castle more generally. The head of Finance and Operations noted: ‘We offer towards the low end of salaries for each role...I’m paid very low pay for what I do – same for the CEO, same throughout the organisation, sales, marketing, etc. I have benchmarked roles and we are at the low end. Not much we can do about that’ (Interview, July 2016). Despite salaries being low The Castle pays all hourly employees the National Living Wage of £7.20, regardless of age. This decision is because of The Castle’s commitment to promoting and developing young workers. Trade unions are recognised at The Castle but their role is ‘usually limited to periods when we have to make redundancies’ (Interview, HR manager, July 2016).
Working conditions at The Castle are mixed for young workers. Evidence from the Castle illustrates there is a commitment to: equal pay irrespective of age, to developing young workers through training programmes, and to giving young people a substantial amount of voice in how the organisation is run. There are however limited opportunities for career progression and salaries are low. There is occupational variation in the labour process at The Castle but it is generally not subject to intensification or pervasive monitoring. The two main factors impacting young workers at The Castle are: the focus on grant-maintenance - which ensures you people are given voice and a degree of decent work - and the physical constraints of the building which limits expansion. The longevity of The Castle as a business highlights these constraints are not currently a problem, although they may become issues as competition increases in the creative sector in Greater Manchester.

4. Discussion and conclusion

The six case studies examined in this chapter provide evidence of a range of factors affecting young workers, including: the business strategy of employers; employer recruitment, skilling, training, and employees progression strategies, and; the labour process, including levels of intensification, monitoring, autonomy, and remuneration. These factors will be discussed specifically in this section, and analysed alongside findings from other aspects of Greater Manchester’s labour market in Chapter 7.
Table 9: features of 6 case studies

<table>
<thead>
<tr>
<th>Feature of Business</th>
<th>Manufacturing</th>
<th>Sectors</th>
<th>Business Services</th>
<th>Digital and Creative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Globits</td>
<td>Woodfields</td>
<td>Tolimont</td>
<td>Red Door</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>Manufacturing</td>
<td>Business Services</td>
<td>Business Services</td>
</tr>
<tr>
<td>Work-rate</td>
<td>Medium</td>
<td>Medium-high</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Utilisation of workforce skills by employer*</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low-medium</td>
</tr>
<tr>
<td>Worker autonomy</td>
<td>High</td>
<td>Medium-High</td>
<td>Low</td>
<td>Low-medium</td>
</tr>
<tr>
<td>Strategies to increase worker productivity</td>
<td>High - Based on usage of new technologies</td>
<td>Medium High - Based on usage of new technologies, but financially constrained</td>
<td>Limited - Based on intensifying work-rate and incentivising with bonuses</td>
<td>Limited - Based on intensifying work-rate and incentivising with bonuses</td>
</tr>
<tr>
<td>Pay</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Opportunities for internal career progression</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Level of training provided</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Level of technological utilisation</td>
<td>High</td>
<td>Medium-high</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Competition for jobs</td>
<td>Competitive</td>
<td>Competitive</td>
<td>Uncompetitive</td>
<td>Uncompetitive</td>
</tr>
<tr>
<td>Recruitment process</td>
<td>Multi-stage interview and competency testing</td>
<td>Single-stage interview</td>
<td>Phone and face-to-face interview</td>
<td>Phone, group interview, 2-day assessment</td>
</tr>
</tbody>
</table>

Source: Company data; Interview data

*This refers to the extent to which the skills of employees are used in their work. It does not imply that employees at any of the cases studied are inherently low-skilled, as accompanying analysis explains.

4.1. Business strategies of the six case studies

The six case studies presented in this Chapter illustrate the wide variations in how labour-power is used by employers in different sectors of Greater Manchester’s local economy, and the differing outcomes for young workers which result. Both
manufacturing firms studied – Globits and Woodfields – produce sophisticated commodities for sale in competitive international markets. These commodities are complex to produce and necessitate the usage of intricate manufacturing tools and techniques. Fundamental to this business strategy is the need for a highly skilled workforce to operate complex technologies and oversee the production process. Globits, as a market leader in its sector, has the capacity to invest in greater qualities and quantities of machinery which creates the potential to repeatedly increase productivity without resorting to intensifying the labour process for workers. Woodfields is also able to generate productivity increases through technological utilisation, although the company is constrained by its smaller size and inability purchase cutting-edge machinery, and so is forced to engage in labour intensification to make productivity gains.

The implications for young workers at both manufacturing case studies are that their labour-power can be used by employers to produce high value commodities. The business strategies and working conditions in the manufacturing case studies contrast starkly with the two business services case studies, Red Door and Tolimont. In both of these cases large numbers of young workers are employed on low levels of pay. The basis of productivity gains in these sectors comes from increasing the work-rate of employees, which is achieved mainly through coercive monitoring and surveillance. There are also attempts to increase productivity through a bonus system which is vital for employees to attain if their employment is to provide a decent standard of living. This combination of low-wages and a bonus system acts as coercive disciplinary measure. The fact that bonuses are tied to the performance of a team also exerts further disciplinary pressures, as workers who may otherwise express solidarity towards one another are instead become driven to pressuring one another to work more intensively. The bonus system is an insecure, unreliable form of remuneration for young workers and contrast sharply with the above-average salaries of young workers.
in other sectors. Young workers comprise a large percentage of the workforce in both business services case studies and as such are disproportionately impacted by these low-road business strategies of these employers. These strategies are dependent on a ready supply of disposable young workers as shown by the constant recruitment and staff turnover at both employers.

The business strategies of the two creative and digital employers are very different from one other and highlight the limitations of aggregating these divergent types of employer. The business strategy for Socrates Technology is based on employing highly trained and educated workers in order to produce advanced commodities for sale in a market that is rapidly expanding. The business strategy of The Castle Theatre, by contrast, is limited by fixed capital constraints and by operating in a sector with limited opportunities to increase productivity through technological improvements. The outcome for young workers varies accordingly. There are employment opportunities in the growing digital sector and jobs are of a high quality. In the creative sector there are fewer opportunities available and those which are available are less well remunerated.

It is also important to note that business strategies of the cases studied did not develop in isolation. Rather, they are affected by the historical and contemporary political economy of Greater Manchester, which in recent decades has been characterised by: structural youth (and all-age) unemployment, persistent low-wages, lack of central government investment or industrial coordination, and a weakened local state apparatus (discussed in more detail in Chapter 7)
4.2. Recruitment, skills, training and career progression

The business strategy of each employer is the main factor influencing the recruitment, skilling, training, and career progression of young workers. In both manufacturing firms there are well-developed internal labour markets for young workers. Both employers have defined entry-points for young people, and both employers recruit regularly. Crucially, the employment which young workers enter into is of a high-standard and the graduate and apprentice programmes are substantive rather than tokenistic. Woodfields, for example, does not have a graduate programme but offers young workers the opportunity to progress from apprenticeships on to a sponsored degree programme. Skills development and training of young workers is ongoing at both manufacturing employers as both require a supply of young workers to assist in making their respective employers more competitive in global product markets both now and in the future. This need results in young workers being favourably employed, and in them having opportunities to develop their careers at both manufacturing firms.

The business service cases studied offered greater volumes of employment for young workers although this employment was of a lower quality in terms of skilling, training and career progression. This lack of provision and opportunity is due to the business strategies of both employers, which are reliant on keeping labour costs low and generating profits through the sweating of labour. This business strategy prevails despite the high costs resulting from high staff turnover. It is therefore assumed this turnover cost is be offset by the lack of investment in young workers once they are recruited. The ability of these employers to continue to operate in spite of high staff turnover is indicative of broader market conditions in Greater Manchester, wherein there are large number of young workers who are unable to gain high-quality employment in other occupations or sectors and as such are forced to work for business service
employers. In both of the business services case studies the company was structured horizontally meaning there were few opportunities for promotion of young workers, irrespective of ability or performance.

Opportunities in the digital and creative sector varied. Both employers studied were limited by their size, which limited recruitment and investment in training. However, Socrates Technology did not offer training opportunities, whereas The Castle Theatre did. Similarly, Socrates was determined to hold on to talented young workers whereas the Castle was aware of its inability to do so and was happy to assist its young workers to advance their careers elsewhere. This point highlights how competitive the digital sector currently is. At The Castle Theatre the amount of training provided and the willingness to support young workers to advance in their careers at other employers can be considered as a non-financial form of remuneration which partially makes up for low rates of pay. At Socrates Technology levels of training and worker development are lower but wages were higher. Both employers offer decent quality employment to their young workers, albeit in different forms.

There are several other features of employment which exist across the sectors covered and relate to skilling and education. One of these is the perceived role of universities in relation to labour markets. At three of the six cases studied senior figures (manager, CEOs and owners) were disparaging towards universities, believing either that they were failing in providing the right skills which graduates needed in labour markets, or that there was an unnecessary favouring of university education in the UK. The frequent skills shortages faced by the majority of employers studied supports the argument that universities are not providing graduates with sufficient technical skills for modern labour markets. The counter-argument can however be made that the function of universities is not to simply provide technicians to employers, and if employers want their employees to possess job-specific skills then they should invest in
more substantive training. Another recurrent feature is the lack of an internal labour market in many employers across Greater Manchester. This problem was not restricted to small (<50 employees) companies, but also impacted medium (<250 employees) companies which have flattened, horizontal organisation structures in which there are few senior jobs for young worker to progress into.

4.3. Working conditions

The differences in working conditions between the three sectors analysed reflect differences in business strategies and recruitment, skills, and training strategies. In both manufacturing case studies working conditions were characterised by high levels of technological utilisation, resulting in work which – although being at times subject to intensification – afforded young workers a degree of autonomy and was well remunerated. Young workers employed as apprentices and graduate interns benefit from these conditions as they are learning whilst working and therefore have the opportunity to progress into higher-level roles. Working conditions in manufacturing contrasted markedly with those in business services. At both cases studied the labour-power of young workers was under-utilised: tasks were simplified and broken down so that the work-rate could be sped-up, monitoring was pervasive and worker discretion was low. These features of the labour process were coupled with low-wages, leading to: low morale, low productivity, and high staff turnover. The business strategy of both business service employers is predicated on this low-road business strategy which utilises low-wage labour, preventing opportunities for alternative business strategies which may materially benefit young workers.

Working conditions in the two creative and digital firms varied. Working conditions for young workers at Socrates were generally favourable due to the
company experiencing recurrent staff shortages which meant workers are afforded a range of benefits to persuade them to stay with the employer. The nature of production at Socrates also means that workers have more autonomy then in employers in the business service companies studied. Rates of pay at Socrates were lower than the sector average but higher than the average for workers in Greater Manchester. Working conditions at The Castle were generally favourable for young workers in that there were not pressures to intensify work and there was a degree of autonomy. There were also opportunities for high levels of job satisfaction due to engagement in the creative process. Levels of remuneration were equal for all young workers but these were nevertheless relatively low due to the limited ability of The Castle to expand commercially.

4.4 Conclusion

This Chapter has examined the relationship between young workers and individual employers in three sectors of Greater Manchester’s labour market. The Chapter has focused on how the material conditions of young workers are affected by the business strategy pursued by employers which determine how the labour-power of young workers is utilised in commodity production. There are two broad types of business strategy which emerge from the case studies and which broadly correlate to abstract conceptualisations of how surplus value is generated. The first business strategy has at its core the capacity to increase productivity through the combining of labour-power with technology. This business strategy is evident at Globits, Woodfields, and Socrates Technology. At these three employers the levels of technological utilisation vary but are all high, and crucially there is the capacity for continued technological improvement. This capacity for technologically-driven productivity increases inform recruitment,
skilling, training, and career progression for young workers at these employers because there is a need to develop and maintain a workforce capable of operating the technology used to produce commodities. The relative complexity of the production process also leads to a labour process characterised by high levels of autonomy and above average levels of remuneration.

The second type of business strategy is characterised by limited opportunities for productivity by increased use of technology. Instead, productivity is increased through intensifying the labour process via: invasive management practices, pervasive monitoring, and setting wages at low-levels which can only be made liveable by achieving performance based targets. This business strategy is evident at Red Door and Tolimont. This strategy disincentives investment in training and skills development, and offers limited opportunities for career progression as the business strategy requires large quantities of employees, rather than high-quality employees. There is a resultant focus on continuous recruitment of employees. The business strategy of The Castle Theatre falls between these two business strategies. The use of technology to increase productivity is low, as are levels of remuneration. There are however opportunities for skilling and training and there is a high level of wage equality, as well as opportunities for career development (albeit via assistance in progressing in the creative sector more generally). The business strategy and working conditions found at the Castle are constrained by the sector in which it operates and the requirements of the grants it receives.

At a more conceptual level the findings in this Chapter illustrate how individual employers ought to be understood as individual capitals, meaning they are bearers of capital and aspects of capital-in-general. The employers studied, however economically successful, are still subject to the same law of value as all capitals and therefore behave in certain relatively predictable ways when the usage of labour-power is concerned. The six employers portrayed in this chapter have
adopted business strategies which favour either the development of the productive capacities of labour-power, or the sweating of labour-power. The former leads to investment in skills, training, and can result in opportunities for career progression. The latter leads to work intensification, coercion, and low wages. That the latter is more common in Greater Manchester is not natural or accidental. Rather, it is the result of historical processes which have occurred in and through Greater Manchester and which have manifest politically and economically in the form of policies towards economic development and labour markets, education and VET policy, industrial strategy (or lack thereof), business strategies of employers and, crucially, the material conditions of young workers. These ideas will now be explored by reconnecting the findings in this chapter to the findings from previous chapters, in the analytical chapter of this thesis, Chapter 7.
Chapter 7 – Analysis

Chapter 7 analyses findings from Chapters 4, 5, and 6. These three chapters explored: the structural factors affecting young workers in Greater Manchester, the local state-young worker relationship and, the local employer-young workers relationship. Chapter 7 provides answers to two questions: how do the empirical findings relate the concepts and theories presented in Chapter 1? And, how do empirical findings allow better understandings of the conditions of young workers in Greater Manchester? Chapter 7 has the following structure: Section 1 focuses on empirical findings from Chapters 4, Section 2 examines findings from Chapters 5 and Section 3 examines findings from Chapter 6. Section 4 draws together these empirical findings by relating them to theoretical concepts articulated in Chapter 1. Section 5 combines the analysis from sections 1-4 and offers a comprehensive explanation of the material conditions of young workers in Greater Manchester.

This Chapter illustrates how capitalism is a processual, contradictory mode of production characterised by antagonistic class-based social relations which shape material outcomes for young workers. The social relations between young workers, local state actors, local employers, and other institutional labour market actors are manifestations of the capital-labour relation, and all social actors attempt to pursue their own individual and collective interests within this fundamental relation. This Chapter combines different aspects of young workers’ social relations in order to emphasise how they are different manifestations of the capital-labour relation, each of which interacts with and shapes the others. This Chapter highlights the limitations of analysing one aspect of young workers’ material conditions in isolation. Instead, the Chapter emphasises the necessity of

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68 the method of articulation by which this occurs is discussed in Chapter 3
holistically analysing internally related social phenomena through the method of articulation which was discussed in Chapter 4.

This Chapter finds structural conditions in capitalist accumulation have resulted in changes to: the sectoral and occupational composition Greater Manchester’s labour market, the composition of the local state, and the business strategies of local employers. These inter-connected changes shape material circumstances for young workers leading to a local labour market existing which is characterised by an abundance of low-wage, low-skilled employment with limited opportunities for promotion or advancement. The prevalence of these conditions is self-reinforcing, meaning that unless substantial pro-active interventions are made then working conditions will remain poor. The likelihood of progressive intervention is low as the British state remains committed to prioritising strategies of low value-added forms of capitalist accumulation. Local state actors in Greater Manchester have attempted slightly more pro-active interventions but these are severely limited in both scope and impact. Local employers have little substantive interaction with the either the state or other labour market institutions and are largely self-reliant with regards to skilling, training, and development of their labour force. Local employers are unlikely to pro-actively engage with workers or collective representatives of labour to develop cooperative strategies to overcome these strategic labour market and local economic weaknesses. This unwillingness is compounded by the historically weak position of trade unions which is itself the result of structural economic change and prolonged political assault. These factors combine to create unfavourable conditions for young workers in Greater Manchester.
1. Analysis of Chapter 4

Chapter 4 presented empirical findings on structural labour market changes in Greater Manchester and the impact of these changes on young workers. The chapter sought to answer the research question: *what is the relationship between young workers and structural changes in Greater Manchester’s labour market?* Chapter 4 used analytical concepts from political economy to provide a historically informed understanding of young workers’ position in labour markets which have been altered by changes in capitalist accumulation. Chapter 4 was divided into three sections: Section 1 developed the idea of a Marxist political economy of youth, Section 2 explored the impact of the 1970s crisis of capitalism on young workers in Greater Manchester, and Section 3 detailed the contemporary labour market composition of Greater Manchester. The empirical data presented in Chapter 4 contributes to and furthers the academic debates which were reviewed in Chapters 1 and 2.

1.1. The antagonisms and contradictions of capitalist accumulation in Greater Manchester

Chapter 4 illustrated how the position of young workers in Greater Manchester’s labour market has altered over recent decades as the industrial composition of Greater Manchester shifted from a manufacturing to a service sector economy. This shift has led to changes in the composition of Greater Manchester’s local labour market which impact young workers. Chapter 4 detailed the specifics of industrial change, noting that as of 2016 manufacturing makes up 8.8% of total all-age employment in Greater Manchester, whilst employment in services comprises 85.9%. Young workers are disproportionately employed in services, whilst only 5.3% of young workers in Greater Manchester are employed in
manufacturing. Chapter 4 noted how the occupational distribution of Greater Manchester’s labour market is becoming increasingly polarised or ‘hour-glassed’, demonstrating the decreasing opportunities for progression into higher-quality jobs for young workers. Chapter 4 also highlighted high incidences of low-paying work for young workers in Greater Manchester, alongside decreasing job security and limited VET opportunities. These shifts in Greater Manchester’s labour market confirm research by Goos and Manning (2007) and Anderson (2009), which suggested that there has been increased polarisation of labour markets in the UK and a decline in mid-level jobs. These shifts in labour markets have led to the development of an hour-glass economy in the UK.

Chapter 4 situated these material shifts in Greater Manchester’s local labour market within broader relations of capitalist production. Chapter 4 emphasised the contradictory nature of capitalist production and the antagonisms inherent in capitalist social relations, which were theoretically laid out in Chapter 1 of the thesis. Specifically, Chapter 4 emphasised the centrality of the class relation between capital and labour when understanding material outcomes of young workers in Greater Manchester. This analytical approach is in opposition to accounts which stress the essential youthfulness of young workers. Chapter 4 went on to examine how the position of young workers in the NIDL has shifted, resulting in altered material outcomes for young workers. The findings from Chapter 4 illustrate capital’s processual nature as it engages in constant self-valorisation and the outcomes of this tendency in shaping labour markets. Even as capital flight was occurring in the 1970s in Greater Manchester the labour-capital relation remained. It was however being dynamically altered to the detriment of young workers as new forms of employment were generally of a lower quality than those which had existed previously, and state regulation of labour markets became more favourable to capital. Greater Manchester’s local labour market was at its nadir by the 1980s but the capital-labour relation had not
disappeared. Rather, the proportion of labour across the locality which could be classed as surplus labour had increased and the outcome was a decline in the value of labour-power in Greater Manchester. This devaluing resulted in the labour force being reproduced in ways that were more conducive to newly emerging forms of service-sector employment in the private sector. These developments in Greater Manchester’s local labour market are empirical evidence of the theoretical claims made in the revised NIDL thesis (Charnock and Starosta, 2014) which was reviewed in Chapter 1. Chapter 4 illustrated why the contradiction between capital and labour is central when understanding how capitalist accumulation affects young workers. Chapter 4 detailed how the abstract relationship between capital and labour manifests: in antagonistic social relations in the workplace, in the behaviour of state managers, and across civil society more generally. At the centre of this antagonism is capital’s need to use labour-power to generate surplus value and labour’s need to sell its labour-power to survive. From this contradiction stem struggles over the material conditions of young workers in Greater Manchester, struggles which are part of global antagonisms between capital and labour which is captured in the idea of the NIDL. The concept of the NIDL emphasises the global nature of the capital-labour relation and the manner in which it is processed nationally by the state, and sub-nationally by the local state. This Marxian interpretation of the NIDL concept is analytically useful as it is a remedy to previously existing research on Greater Manchester, such as Dicken (2002), which identified ‘globalisation’ as an exogenous, neutral force which reshaped local economies. Rather, the NIDL thesis identifies the changing nature of the inherently global capital-labour relation as central to understanding changes in local labour markets. A Marxist conceptualisation of the NIDL facilitates an understanding of states – and their central and local governance mechanisms – as being but ‘nodes’ in the ‘totality’ of capitalist production (Charnock and Starosta, 2014: 9).
The abstract contradiction between labour and capital is intertwined with the more immediate contradiction which exists between productivity and profitability. Chapter 1 noted how there is a tendency for the rate of profit to fall under conditions of capitalist accumulation as a rising TCC (measured using the VCC) results in commodities being produced which are lower in value due to the expulsion of living-labour from the production process. This tendency can lead to declining rates of profits for capital which can be mitigated through countervailing tendencies in the spheres of production and exchange. Chapter 4 demonstrated how the expansion of business services was a key countervailing tendency to the restore profitability of capital which manifested at the sectoral level in Greater Manchester from the 1980s onwards. The growth of business services was possible because labour-power had been devalued by increased unemployment caused by deindustrialisation. This increase resulted in action by the state to intervene in order re-shape the productive capacities of labour, which remains an ongoing process. The existence of these processes in Greater Manchester supports the theoretical insights detailed in Chapter 1, which were originally made by Marx (1867 [1990]) and have been developed by subsequent Marxist scholars (Fine, 1975; 1976; Elson, 1979; Clarke, 1989; 1990). Structural trends in Greater Manchester are rooted in changes in the value of labour-power, itself altered by class conflict occurring in and through Greater Manchester’s local labour market. This explanation of change is at odds with conventional accounts of social change, which promote the idea of technology development alone being the main factor reshaping society. This technology-centric approach ignores the conflictual social relations which permeate technological development and usage. The contradictory tendencies of capitalist accumulation identified by Harvey (2014), Elson (1979) and detailed in Chapter 1 are evident in shifts in Greater Manchester’s historic political economy, notably the favouring of EV over UV, which resulted in deindustrialisation in the city in the 1980s. Contradiction is also manifest in the tension between abstract and
concrete labour, which results in different fragments of total social labour being in competition with one another in labour markets, due to limited supply of well-paying ‘good’ jobs.

Chapter 4 illustrated how outcomes of capital accumulation in Greater Manchester shape local labour markets for young workers. Capitalist accumulation encompasses not only the valorisation of capital by an individual capitalist, but instead refers to the inter-connectedness of social actors under the capitalist mode of production and how particular compositions of forces can lead to certain material outcomes becoming prevalent and self-reproducing. Accumulation in Greater Manchester is characterised by the prevalence of ‘low-road’ accumulation strategies. Chapter 4 revealed how capitalist accumulation can be explained through assessing sectoral and occupational shifts, alongside prevailing labour market conditions such as remuneration and job security. Changes in Greater Manchester have resulted in the devaluing of labour-power, the emergence of low-paid work, and the expansion of surplus value by sweating labour. The prevailing form which capitalist accumulation takes in a locality is exacerbated by processes such as commodification and marketisation, which further expose workers to the law of value and disciplinary value relations. The prevalence of a particular type of capitalist accumulation can be mitigated through collective struggle, manifest in change agents such as collective labour or progressive state actors. Section 2 of this Chapter explores accumulation in Greater Manchester in more detail as it draws upon findings from Chapters 5 and 6.
1.2. The composition of Greater Manchester’s labour market for young workers

Chapter 4 explored: the sectoral and occupational composition of the labour market for young workers, levels of job security, wage-rates, and levels of education, skill, and training provision. Chapter 4 emphasised the occupational shifts which have resulted in a labour market comprising of large numbers of both low-level occupations (measured in terms of pay and skill) and high-level occupations, with fewer mid-level occupations existing than in earlier decades. Chapter 4 illustrated that young workers were disproportionately located in lower-level jobs and were affected by a lack of mid-level jobs to progress into. Occupational changes are in part the result of sectoral shifts from manufacturing to services. Resultantly there are fewer shielded entry routes for young workers in the service sector where internal labour markets are horizontal and wages are compressed due to lack of unionisation. A related shift in labour market conditions is the increase in non-standard, insecure forms of employment which have been the main form of employment growth in Greater Manchester since the 2007 financial crisis. Chapter 4 illustrated how young workers are more likely to be employed in non-standard employment. Neoliberal regulation of labour markets by the state has enabled private employers to employ increasing numbers of staff through fixed-term and zero-hour contracts, and through bogus self-employment. This trend has been exacerbated by the growth of temporary staffing agencies – which are also unregulated – and by a lack of pro-active resistance by organised labour. It is not simply the case that this insecurity is facilitated by the deskilled nature of service sector work or is intrinsic to service sector work; many service sector jobs require very precise attributes and characteristics, reflecting the socially constructed nature of skill. Moreover, there is increasing insecurity in traditionally high-skilled jobs such as programming
The portrayal of Greater Manchester’s labour market presented in this thesis highlights the limited explanatory capacity of orthodox and some heterodox labour market theory (detailed in Section 3 of Chapter 1) to explain extant labour market conditions. The composition of Greater Manchester’s local labour market has been illustrated to be the result of class-based social conflict which is expressed in and through labour market institutions and actors. Labour market outcomes are not solely the result of individual action motivated by utility maximisation as neoclassical theorists argue. Similarly, the complexity of Greater Manchester’s local labour market illustrates the limits of theories of dual labour markets (Gordon, 1972), and segmented labour markets (Poire and Doeringer, 1971; Gordon, Edwards and Reich, 1982). Greater Manchester’s local labour market is not split in two parts, nor is it neatly segmented into several parts. Rather, it is structurally differentiated as a result of historical processes of capital accumulation which have led to high volumes of low-paying jobs which are disproportionately occupied by young workers. This structural differentiation of Greater Manchester’s local economy is in alignment with Marxist theories of labour markets, notably Fine (1998; 2007).

Chapter 4 examined the prevalence of low-wages in Greater Manchester, finding levels of wages to be below the national average, with young workers more likely to be in low-paid work than all-age workers. Chapter 4 also found Greater Manchester was typified by low-paid employers, a tendency which is expanding. There is nothing intrinsic to certain types of employment which mean they ought to be low-paid; the wage-rates across different sectors in Greater Manchester are the result of struggle and contestation in individual workplaces and at the level of labour market regulation by the state, notably in NMW laws. Chapter 4 also explored education, skills and training in Greater Manchester, noting that processes of neoliberalisation had led to provision becoming increasingly marketised and costs individualised. This development in Greater Manchester
has occurred in spite of the limitations of skills-led, supply-side solutions to labour markets problems which have been known since the 2000s (Lloyd and Payne, 2001). The aims of education and VET provision were found to be becoming increasingly targeted towards the needs of private employers. This trend was found to be evident in the promotion of employability as a discourse by educators and state policies to upskill the labour force to address specific skills gaps of private employers. The continued prevalence of the employability discourse is connected to human capital theory (Becker, 1967), which was demonstrated to be theoretically flawed in Chapter 1 (Harvey, 2014). This latter point was explored in more detail in Chapters 5 and 6.

2. Analysis of Chapter 5

Chapter 5 presented findings on the relationship between young workers and the local state in Greater Manchester. Chapter 5 sought to answer the research question: what is the relationship between young workers and the local state in Greater Manchester? by exploring the emergence of neoliberal governance strategies in Greater Manchester. Chapter 5 specifically focused on strategies of economic growth and labour market reform and what impact these have for young workers. Chapter 5 found that the emergence of neoliberal governance leads to uncoordinated, unequal economic growth, and labour market reforms marked by individualised, employer-focused policies. The outcome is that young workers have little pro-active intervention or support from local state actors as they work (or seek work) in labour markets which have been degraded by shifts in capitalist accumulation. Young workers are reduced to working in the low-wage service economy and any material improvements are predicated on the relationship between them and their employer. Sections 2.1 – 2.3, below, link local state
governance strategies to more abstract processes of capital accumulation and the contradictions which characterise the local state.

2.1. The limited outcomes of local economic strategies for young workers

Chapter 5 illustrated how local state managers have promoted a local economic development strategy which is perceived as successful by orthodox economic measures. The employment rate in 2017 is higher than it was during in the 1980s when deindustrialisation resulted in high levels of structural unemployment in Greater Manchester. The employment rate in 2017 is also higher than in 2007. Greater Manchester has experienced increased domestic and international migration and increased levels of inward FDI investment. The success of the Manchester Devolution Deal is held up by local elites as simultaneously affirming the correctness of local economic development strategies and being a basis for future economic development.

There are two main criticisms of this optimistic narrative. Firstly, the extent to which local economic strategies and their outcomes have had a positive effect on young workers has been shown in previous chapters to be limited. Evidence from Chapter 4 illustrated that economic and labour market conditions for young workers are generally poor, when assessed in terms of job security, pay, and VET opportunities. Whilst the GVA of Greater Manchester’s economy grew at nearly double the national average in 2012 (AGMA, 2014) the increase in both low-paid work and economic inequality across the county suggests that economic gains have not been distributed equally amongst workers. Secondly, the amount of agency which local state actors have over changes in Greater Manchester’s local labour market is also questionable. Comments made by respondents in Chapter 5 illustrated the extent to which local state agencies are heavily constrained in
their ability to reshape the local economy of Greater Manchester. The agency of local state actors is also restricted by the British state at the national level. This manifests in budget cuts which have affected Greater Manchester since 2010 and even in the Devolution deal itself, which demands further budget cuts and taxation rises in exchange for the devolution of powers. The outcomes for young workers are that budget cuts and Devolution will further lock-in prevailing economic strategies which prioritise the growth of low value-added employment.

The capacity of the local state to act independently of the British state is also restricted by legislation which restricts the autonomy of local state actors. One example is fiscal policy and budgetary powers. If a local council were to attempt and try and set an illegal budget which deliberately over-spent then a budget could be imposed by central government and administered by a private sector organisation (Ahrens and Ferry, 2015). The historical legacy of the abolition of GMCC (Quilley, 2000) remains as a warning to state officials in 2017 who might seek to divert too radically from the established neoliberal development agenda.

The capacity of the local state to act autonomously is heavily constrained by the increased structural power of private capital. Chapter 5 illustrated there is an awareness of the limited ability of local state actors to take decisions which are independent of the interests of the private sector as it is the main source of investment, employment, and tax revenue. One interesting finding is the extent to which the perceptions held by local state planners on how the local economy operate and labour markets operated were almost wholly unified. Interviewees from research and development agencies, educational institutions, local councils, and training bodies all expressed similar perspectives on how the local state should ‘respond to’, ‘work with’, or ‘follow’ private-sector capital. Even amongst those local state officials who were unsupportive of dominant local policy there was little expression of potential alternatives, echoing the neoliberal claim there is ‘no alternative’ to capitalism, and also supporting the claim neoliberalism is
becoming locked-in at the local level. This perception highlights how the structural power of capital manifests in various forms, with varying degrees of immediacy. Capitalist imperatives can shape labour markets through (dis)investment, and are also prevalent through the permeation of ideas and the processes by which neoliberal thought becomes ‘common sense’ amongst local elites (Hall and O’Shea, 2013). A flaw in this ideological commitment to neoliberalism is that it puts Greater Manchester’s labour markets, and young workers reliant upon them for social reproduction, at risk of succumbing to the same waves of capitalist disinvestment which existed in earlier decades. The increased structural power of capital in Greater Manchester substantiates and to some extent confirms the findings from research on Greater Manchester in the 1990s and 2000s (Peck, 1992; 1996; 1998; Peck and Tickell, 1995) in that it highlights both how individual private capitals can continue to wield influence over the local state, and how the local state attempts to act in the interest of capital-in-general. However, the developments in Greater Manchester illuminate that although the abstract process of private capitals shaping the composition of the local state remains dominant, the concrete form this takes has altered. Rather than individual private capitals shaping local economic development through exertion of influence in UDCs and TECs, influence now comes through businesses being either directly or indirectly represented on the GMLEP, and on the various organisations which comprise the MGC.

Chapter 5 detailed how the management of skills policies by local state managers in Greater Manchester affects young workers, in part the promotion of the growth in headline sectors of manufacturing, business services, and the creative and digital sector. These sectors are identified by local state managers as sources of high-quality jobs at NVQ level 4 and above. Most employment growth for young workers in Greater Manchester has however been in lower-level occupations and there has not been significant growth in high-paying, quality jobs. Local skills
policies compound this problem as they are aimed at equipping individuals with basic skills necessary to compete for employment in lower-occupational jobs. This strategy is limited because there is often a lack of clarity by employers regarding what is meant by skills shortages, meaning further skills acquisition will not necessarily lead to greater economic growth or better quality jobs. Chapter 2 noted that “skills” can be used to refer to almost any human trait – innate or learned - from the possession of specific technical knowledge to the ability to follow orders in a disciplined manner. In many low-discretion, low-paid, routine employment the “skills” which employers want from their workers are the ability to submit to the authority of management and not complain about poor working conditions (as evidenced in Chapter 6 of this thesis).

The current approach to skills by policymakers –both nationally and in Greater Manchester - reflects the influence of human capital theory and results in an individualised approach to education and VET provision. This outcome means substantive training opportunities and decent work are not provided at an institutional level in Greater Manchester. Instead the responsibility to develop skills is transferred on to the individual, and skills provision is increasingly accessed via private sector providers. Greater Manchester has experienced an increase in the number of qualified graduates entering it labour market at the same time there has been a growth in employment in occupations at the bottom end of the labour market.69 This point reveals that upskilling strategies by local state managers are limited in what they can achieve for young workers.

The limitations of skills policies are evident in the limited outcomes of training and apprenticeships programmes in Greater Manchester. Apprenticeships in Greater Manchester are frequently at a low level and are characterised by below

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69 More precisely, there has been growth in employment in non-routine, manual occupations such as personal care work, and retail and hospitality, both of which cannot be easily automated (Nolan and Slater, 2010). This is true in Greater Manchester, where there has been employment growth in these two sectors (New Economy, 2015a). As has been previously stated, young workers are disproportionately likely to be employed in these sectors in Greater Manchester.
UK average rates of pay. Although there is evidence of quality apprenticeships in Greater Manchester (as detailed in Chapter 6) these are limited in number and restricted to a minority of sectors. The poor quality of apprenticeships in Greater Manchester highlights the prevalence of low-wage sectors in the city. Active labour market policies in the city are also limited in their aims and outcomes due to the preoccupation with moving unemployed workers into any job, rather than into high-quality jobs. This approach makes it more difficult to develop good jobs locally as low-paying employment often crowd-out other businesses, as Greater Manchester’s local labour market demonstrates.

Local policy outcomes for young workers have been limited as they are based upon local economic strategies which are inherently limited. The evidence presented in Chapter 5 illustrated a clear narrative in policy documents which advocates a growth strategy centred on the development of the private sector, specifically the growth of ‘headline sectors’ and the need to attract inward FDI investment to Greater Manchester. Chapter 5 illustrated that the numbers of jobs created from inward FDI are limited; this means that most job creation is indigenous to Greater Manchester. Job growth – both indigenous and as a result of inward FDI - is in low-waged sectors. The sectors of Greater Manchester’s local economy which are promoted as high-growth and high-value added have suffered a decline in job longevity and retention, most notably manufacturing. Local economic strategies are limited because of their adherence to a neoliberal model of economic development which advocates market-led growth, wherein the needs of private firms come to determine local state decisions and other stakeholders become marginalised or excluded. This development in Greater Manchester is clear evidence of the expansion of entrepreneurial urbanism (Harvey, 1989; Peck, 2014), which has accelerated since 2010 as central government funding has reduced. The adoption of neoliberal strategies by local planners means Greater Manchester may become a victim of its own economic
success. Low-wage service sector employers may continue to crowd-out other sectors in their capacity to generate greater profits and political favour, leading to further labour market polarisation and wage stagnation. The outcomes for young workers are degraded labour market conditions and limited opportunities to progress into good work.

2.2. The contradictions of the local state in Greater Manchester

Section 2.1 addressed how neoliberal local governance strategies have contributed to maintaining labour market conditions in Greater Manchester which are detrimental to young workers. Local state managers have played a role in shaping labour market outcomes although their actions can only be fully understood when they are located within antagonistic class dynamics and when the local state is understood as a site of class conflict. Local state managers, private employers and other ostensibly autonomous actors are bearers of antagonistic capitalist social relations. This understanding is important when seeking to analyse the dynamics of the local state-form as local state actors cannot overcome the contradictions of capitalism and instead must mitigate them by favouring neoliberal or social democratic strategies. Chapter 1 detailed four main contradictions. Firstly, the tension between promoting the flow of all capitals and promoting new productive socialisation. Secondly, the contradiction between disciplining labour and co-operating with labour. Thirdly, the contradiction between lowering costs of production and promoting differentiation of local economies. Fourthly, the contradiction between using the national state to minimise regulation by local state and seeking to create new productive socialisations (Gough, 2004: 2013; 2014). The impacts of these contradictions on young workers are explored below. For each of the contradictions the first
half is the neoliberal resolution, the second half is the social democratic resolution.

The first contradiction is evident in local state managers attempting to attract all types of inward FDI capital investment whilst simultaneously seeking to promote the growth of high value-added headline sectors. Chapter 5 has shown that local state actors are limited in the extent to which they can influence the growth of headline sectors, and that most growth has been in low-wage, low-productivity service sector employment. The local state in Greater Manchester is unable to pursue more equitable social democratic strategies due to decades of encroachment by private capital into the local state apparatus. This shift is manifest in the growth of boosterist local economic agencies and the centrality of private sector economic growth to local planners. The implications for young workers of the local state favouring the neoliberal resolution is that the local state becomes unlikely to pursue progressive independent development strategies. Whilst local state actors do attempt some social democratic progressive initiatives these cannot overcome the dominance of the neoliberal tendency. The supremacy of the neoliberal strategies illustrates how global capital forcibly exerts itself on fragmented aspects of labour which exist in different localities (Charnock and Starosta, 2017: 7). In Greater Manchester this exertion takes the form of utilising the locality’s territorial specialisations -developed infrastructure, connections to other markets and an abundance of cheap labour - in a way which benefits private capital and does not lead to equitable labour market outcomes.

The second contradiction regarding how local state actors should interact with labour is evident through young workers’ interactions with skills, training, and active labour market programmes. Local state policies seek to increase the skills

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70 This shift is part of a global expansion of neoliberalism, which has meant that local state managers in 2017 now have reduced options as to the growth strategies they can pursue. The development of these neoliberal governance strategies at higher spatial scales does not imply a statist analysis; their development is an outcome of shifts in capitalist accumulation which they have both mediated and been mediations of.
of young workers in order to increase their chances of gaining employment. These policies illustrate elements of the social democratic tendency of the contradiction as the local state can be seen to be co-operating with workers to improve their life chances. Young workers are not consulted on local state strategy in any significant sense, nor are trade unions able to adequately represent young workers at local state decision making fora. The neoliberal aspect of this contradiction is therefore dominant in Greater Manchester as young workers are systematically excluded from local governance decisions and have been subjected to policies which are designed to make them more employable in low-wage sectors of the local economy. This process is supported through national policies of age-stratified NMW rates, welfare state reform and national active labour market policies. The result of these policies is that young workers have been more greatly exposed to the rule of capitalist value relations which is expressed through the discipline of the market (Gough, 2002).

The third contradiction relates to production strategies and how local state actors are pressurised into attempting to keep overall costs of capitalist production low to maximise profitability and subsequent tax revenues, whilst simultaneously seeking to promote high-value added accumulation. In Greater Manchester there is a tendency to favour reduced production costs over promotion of high value-added production (AGMA, 2013; 2014; 2015). This focus has to some extent been passive and has occurred through inaction. One example is through allowing low-value added sectors to grow which have low-cost business strategies, most notably business services. Young workers have been crucial to the growth of these low-wage sectors as they serve as the cheap supply of labour which these sectors need. The labour-power of young workers is also used by local state managers to drive qualitative differences in the local economy though the attempts to retain graduates and attract skilled in-migrants to work in ‘headline’ sectors. This latter point is evidence of social democratic tendencies
although the actions of the local state and the sectoral composition of the local economy highlights this tendency is not dominant.

The fourth contradiction over state regulation is evident through the re-shaping and long-term diminishing of local state actor’s capacity to progressively intervene on the behalf of young workers. The neoliberalisation of Greater Manchester’s local economy has resulted in a local state-form which is characterised by a strong tendency to favour uncoordinated private sector development over other forms of development. A corollary of this tendency is actors with low levels of market power – young workers, marginalised workers, and trade unions – have been excluded from decision-making processes. The reshaping of the local state to make it more favourable to capital accumulation is evidenced in ongoing governance reforms which centralise power and increased influence given to private sector voices. Young workers are generally in weak labour market positions so do not benefit from the transferring of powers the private sector. The overall favouring of the neoliberal side of the contradictions of the local state theoretically explains the increased power of private capital in Greater Manchester which has been occurring since the late 1980s (Peck and Emmerich, 1992; Peck and Ward, 2002) and which has been charted empirically by existing research (Giodarno and Twomey, 2002; Coutts et al., 2007).

2.3. The local state as a mediation of social relations

Labour markets are governed at an immediate level by the laws and regulations of the state, and at an abstract level by the rule of value, which refers to the manner in which capitalist relations prevail in capitalist societies over and above non-capitalist relations. Greater Manchester has experienced an expansion and intensification of value relations as private capital has expanded. This expansion
has meant young workers have been increasingly disciplined by the needs of private capitals. These manifest in neoliberal discourses about economic growth and individualised labour market responses. This understanding of society is relevant when understanding the conditions of young workers in relation to the behaviour of the local state as it emphasises how an exclusive focus on the political, economic, or ideological actions of local state managers will result in insufficient conclusions which do not capture the real nature of the relation between young workers and the local state, namely how the local state is a crystallisation of the constant struggle between capital and labour (Clarke, 1989).

Young workers find themselves affected by the actions of local state as it oscillates between attempts at neoliberal and social democratic governance resolutions to mitigate the contradictions of capitalist accumulation. In its current form the local state in Greater Manchester most closely reflects the neoliberal resolution of these systemic contradictions; this is in line with the current composition of the national state. The present relationship between the local state and young workers is part of the general capital-labour relation which manifests in changes in the state-form due to shifts in value relations and class conflict. In Greater Manchester, like in the UK more generally, there has been a general devaluing of labour-power which has negatively impacted young workers. This devaluation is expressed in the proliferation of low-wages, but is also evident in capitalist production itself as individual capitals combine devalued labour-power with productive capacity to generate surplus value. These tendencies were explored in Chapter 6, which is now analysed in more detail.
3. Analysis of Chapter 6

Chapter 6 examined the relationship between employers and young workers in Greater Manchester through case studies of six employers in three different industrial sectors. Each case study examined: the employer’s business strategy, how employers recruit, train, skill, and offer progression opportunities to young workers, and working conditions for young workers, including levels of remuneration. The analysis presented in sections 3.1 – 3.3, below, examines commonalities and differences across the six case studies and the implications for young workers. The analysis also situates the empirical findings in relation to existing academic debates on business strategy, skills, the labour process, internal labour markets, and job quality, which were discussed in Chapter 2.

3.1 Business strategies of employers

Chapter 6 illustrated young workers experienced favourable employment relations in the manufacturing cases studied, and also in the creative and digital cases, although to a lesser extent. Young workers employed in business services, by contrast, experienced largely unfavourable employment relations. The Chapter emphasised how these conditions are primarily due to the business strategies of employers, rather than the kindness or malevolence of employers (though these may be a contributing factor to overall working conditions).

Chapters 1 and 2 explained how individual capitals engage in the production of surplus value, and how this concretely manifests in the different business strategies of employers (Chandler, 1977; Hyman, 1984; 1987; Kay, 1995; Erdem and Glynn, 2001; Folkman et al., 2016). Chapter 2 drew on the work of Hyman
(1987), who highlighted that business strategies are characterised by simultaneous cooperation and conflict between capital and labour in the workplace, as managers and workers work together on projects, while at the same time being in tension over the nature of such work and the distribution of outcomes (Hyman, 1984: 185). Chapter 2 also raised the issue that business strategies are often fractious, incomplete and ad-hoc, due to the contradictory nature of capitalist accumulation. Specifically, Chapter 2 highlighted that an individual capitalist is unable to ever completely balance competing pressure of centralisation and concentration, or tensions between production and realisation. Hence, as Hyman defines them, business strategies can be no more than ‘different routes to partial failure’ (Hyman, 1987: 29-30). Business strategies are heavily shaped by competition; employers must remain competitive or risk bankruptcy or absorption by a larger firm. Increased competitiveness has the aim of increased profitability and can be achieved through: reducing production costs, changing the commodity produced, or modifying prevailing employment relations. All three of these tactics are aspects of the capital-labour relation as all three require labour-power to be used in some form. The decision over which of these tactics is favoured depends on a range of prevailing factors such as: ownership, levels of competition, labour-supply, technology, labour market regulation and prevailing levels of industrial strife. Another key variant is the level of workplace conflict, which can increase or decrease depending upon the actions of managers and of workers (organised or otherwise).

At Globits and Woodfields there was a labour process in which skilled labour was combined with advanced technology leading to the production of commodities imbued with a high level of surplus value. In both cases studied the commodities produced were tools and machinery required to engage in further advanced manufacturing. Both manufacturing firms are well-established in their sector and – despite mismanagement affecting Woodfields’ financial position since 2007 –
both are relatively stable and profitable. Both employers have well developed internal labour markets for young workers, all employees receive above average levels of pay, and both employers are championed by the local state. At both Globits and Woodfields business strategies were characterised by a relatively high degree of co-operation between managers and workers. Decent levels of pay, provision of training and promotion opportunities, and a labour process which was not characterised by intensive monitoring all combined to a workplace with low levels of conflict, as expressed in low levels of industrial action, churn, or hostility expressed by workers.

The absence of more employers like Globits and Woodfields in Greater Manchester is partially due to the contemporary sectoral and occupational distribution of Greater Manchester’s labour market and the impact of historical processes of deindustrialisation. The structural unemployment caused by the decline of the manufacturing sector led to a devaluing of labour-power in Greater Manchester. This shift contributed to the growth of service sector employment as its business model is built on employing large number of relatively low-waged employees. The service sector has become the largest employer in Greater Manchester and individual businesses in the service sector can remain competitive and profitable without engaging in the more complex productive processes which prevail in manufacturing. The durability of the low value-added business model which prevails across much of the service sector in Greater Manchester is not the sole reason why there are not more manufacturing employers. Institutional factors are also important; Chapter 5 illustrated the limited capacity that local state actors have to pro-actively intervene to substantively promote the growth of certain sectors. There has also been a decades-long absence of any pro-active industrial strategy at the national level. Instead there has been a narrow focus on ‘picking winners’ in individual sectors by the British state (Cowling et al., 2003). A co-ordinated industrial strategy
could facilitate the linking together of divergent industrial sectors and promote cooperation. The potential alternatives for Greater Manchester in this regard are discussed in Chapter 8 of this thesis.

Both business services cases studies operated a business model reliant on the low-value labour-power of young workers. Persistent churn among the young workforce was a problem at both Red Door and Tolimont. Churn was caused by: poor working conditions, limited development opportunities, and low levels of remuneration. Young workers were employed not because they were young, but because employers wanted the type of labour-power that young workers possessed: low cost, technologically literate, and unlikely to actively resist in a coordinated manner, as low levels of trade union membership show. Features of low-wage service sector work – recruitment issues, low-pay, and lack of substantive training or progression– are all aspects of the more generalised business model in the service sector which relates to how labour-power is used in the production process. In the business services cases studied productivity increase came from intensifying the labour process, often by using technology to monitor and surveil, and through disciplining via low-wages and control over the allocation of bonuses. The business strategies of Red Door and Tolimont are good examples of how businesses can operate without long-term plans, often responding to problems in an ad-hoc fashion. Comments made by staff at Red Door testified to this point, indicating there was a lack of over-arching strategy. Similarly, at Tolimont, the continued prevalence of high levels of churn over several years indicates that no strategic changes have been made to remedy this problem, in part because there remains a pool of young, cheap labour in Greater Manchester which can be drawn on. Both of these business service employers have been in operation for less time than the manufacturing case studies, meaning that there is less evidence their business strategies are sustainable in the long-
term, as they are less able to reconcile the contradictions arising from capitalist accumulation (Hyman, 1987).

At both business services case studies young workers had to internalise and exemplify the ambitions of the company in order to succeed. Young workers in effect had to internalise capitalist logic and the profit-motive. At Red Door and Tolimont the most well remunerated employees were those who were best able to sell their respective company’s product. The specific aspect of labour-power which capital requires from workers in these sales roles is the ability to persuade and entice potential consumers to purchase a commodity. In the labour process sales workers become bearers of capital’s need to valorise in the sphere of realisation. Sales roles turn individual workers into advocates for capitalism and against their collective class interest; this is arguably part of how capitalism entrenches itself. On a more immediate level however sales workers engage in this type of work out of necessity; they have to earn a wage in order to socially reproduce. This feature of employment is indicative of what type of worker is required by employers in the increasingly customer-facing service economy. Employers increasingly do not just want the worker’s physical attributes; they also want the worker to undergo a shift in personality or demeanour which is more conducive to selling. This requirement pervades the worker just as much as the physical demands of working in a factory. This feature of work in the business services case studies can be conceived as a form of emotional labour, one which requires an internalisation of the capitalist logic of self-expansion.

Chapter 6 illustrated significant differences which exist between Socrates Technology and The Castle Theatre. These differences stem from the different business strategies of both employers and highlight the limitations of local state strategies which group the creative and digital sector into one category in order to promote it as a headline sector. At The Castle - and in the creative sector more generally - there are limits to making productivity gains through using
technology. Rather, productivity increases are more likely to be achieved in the labour process. These increases can take the form of intensification and extension of the working day or attempts to lower the cost of production. There was no significant evidence of an intensified labour process at The Castle or lower production costs. Instead, the business strategy of The Castle was more focused on maintaining current levels of profitability, rather than expanding. One factor which is advantageous to creative sector employers is the abundance of applicants for any given position; this means wages can be set at a relatively low level and costs can be kept low.

At Socrates Technology there was a complex labour process necessary to produce relatively complex commodities. Production required a skilled workforce which was found to be in short supply in Greater Manchester. Socrates Technology was the service sector employer most similar to the manufacturing sector in terms of employment quality for young workers. A key commonality is the complexity of the commodity produced. The digital sector is more likely to undergo expansion than the manufacturing sector for a number of reasons: the start-up costs are often smaller, there is an increasing supply of individuals with the skills the sector requires as school curricula “catch-up” to the demands of the sector and, there is a growing demand for the commodities produced by the digital sector. These features mean the business model of the digital sector may grow to be a more substantive source of high-quality employment for young workers in Greater Manchester. At both The Castle and Socrates the level of workplace conflict was relatively low. At the latter this was likely because of the high levels of remuneration received by staff. Who could command high wages because of their job-specific skills, which are currently in short supply in Greater Manchester. The lack of IT specialists and programmers in Greater Manchester has even led to Socrates to develop an ad-hoc strategy of recruiting young people whilst
effectively still in school, highlighting the limited nature of any business strategy in a sector in which the rate of technological change is progressing quickly.

3.2. Recruitment, skills, training and career progression

Great variation existed in the recruitment strategies, skills utilisation, training provision, and opportunities for career progression at each of the six employers studied. Each operated a fairly prolonged recruitment process with the simplest process being at Woodfields. The fact that Woodfields had the simplest recruitment process was somewhat surprising as it offered some of the highest-quality employment opportunities of all employers studied. One explanation is that Woodfields – in keeping with its support for apprentices and hostility towards conventional graduate schemes – has a more traditional approach to recruitment which eschews modern, multi-stage recruitment processes. All other employers operated a multi-staged recruitment process which was time-consuming for applicants, highlighting how employers are able to put applicants through strenuous application processes with little fear of deterring applicants. This feature of recruitment at most employers illustrates the power they have relative to employees in Greater Manchester’s labour market. The complexity of the recruitment process at the majority of case studies illustrates the increase in ‘entry tournaments’ for young workers in British labour markets (Marsden, 2010), in which increasing numbers of young workers have to compete for a decreasing number of high-quality jobs (Dahl, 2009) due to labour market polarisation.

Skills utilisation and training provision varied by employer. It was found to be high at both manufacturing employers and at Socrates Technology, and lower at both business services employers and at The Castle Theatre. Skills in this sense refer to formal skills measurable by qualification. In both manufacturing firms young workers could utilise their engineering qualifications whereas at a
company such as Tolimont the graduate interns did not appear to using degree-specific skills. Lack of formal skills utilisation does not mean the work performed in the business services sector is unskilled; there is often complex and nuanced emotional labour involved, such as the process of persuading customers to buy commodities. Similarly, the skills possessed by young creative workers at The Castle, though poorly remunerated, have been developed over many years of training and are not easily replicable.

Training provision varied significantly by employer. At both business services employers it was limited and there were few opportunities for career progression; this likely contributed to high levels of staff turnover. The labour process at both business services was fragmented in part so that new staff could be quickly trained and put to work. The approach to skills provision at both business services employers substantiates much existing research on skills (Keep, 2000; 2012; Lloyd and Payne, 2001) that employers utilise low-road strategies of workforce development, and achieve competitive advantage based on a largely undifferentiated workforce (Hall, 2001). This point does not imply staff – by quitting frequently - are responsible for the fragmentation and degradation of the labour process. Ultimately it is employers who determine what form the labour process takes in a workplace. High staff turnover is more likely due to the drudgery and alienation which stems from repetitive, fragmented work. The main skill which employers often want from such a labour force is discipline; this was achieved at Tolimont and Red Door through monitoring and through ability to award or withdraw financial bonuses. At both manufacturing employers there was significant on-the-job training to meet specific needs of the labour process. This provision stemmed from the perceived failures of the UK’s education system to provide adequately skilled young workers. In the creative and digital sector training provision varied; both cases are not necessarily generalizable to their
sectors but both were limited in the training they offered, mostly due to resource constraints.

All of the employers studied have some reliance on social institutions to provide them with skilled labour necessary to engage in production. All employers studied were reliant on the state equipping workers with necessary basic skills of literacy and numeracy, as well as more technical, specialist skills at further and higher educational levels. Manufacturing employers were least reliant on state provision due to their well-developed in-house training schemes. Manufacturers did however rely on universities to generate engineers with a basic level of knowledge, as well as relying on schools, colleges and universities to generate staff with other specific skills-set for project management and business roles. Business services are almost completely reliant on state training— their business model is one which externalises as many of the costs of production as possible. Reliance of employers in the creative and digital sector vary; attempts are made to provide some training, but their small-size means there are limited resources available for it and so there was reliance on the educational and training provision of other institutions.

Career progression opportunities varied by employer. Opportunities for career progression were high at both manufacturing employers, but were limited at business services employers, and at both creative and digital employers. The limitations in the business service sector are due to the horizontal structure of the company, whereas in the creative and digital sector one of the major limitations was the size of business. There is clear scope for young workers to progress in the creative sector but these are often thwarted by limited availability of job vacancies which results in highly intensified entry-tournaments and low pay. The limited career progression available in many of the case studies supports existing research by McGovern et al. (2007) and Marsden (2010) that ILMs – if they were
ever truly prominent in the UK – have declined, and that they remain prominent only in the manufacturing sector.

### 3.3 Working conditions and the labour process

The labour process at each employer is shaped by prevailing business strategies which dictate how labour-power is used in the production process. Chapter 6 noted how the labour process at both manufacturing firms was characterised by a high level of technological sophistication, as was the labour process at Socrates Technology. The labour process at The Castle Theatre and at both business services employers was the converse, in that technological innovation and utilisation was relatively low. Chapter 6 emphasised how these differences in labour process affected levels of monitoring and surveillance over the workforce, as well as levels of remuneration which staff received.

The working conditions examined in Chapter 6 raise the importance of critically understanding productivity and profitability. Chapter 2 highlighted how non-routine manual tasks have proved difficult to automate in a cost-effective way, as evident in the labour process of the business service employers in Greater Manchester. At these low-road employers productivity gains were induced by extending and intensifying the working day, confirming earlier research no workplace intensification by Green (2001) and Kelliher and Anderson (2010). The empirical findings substantiates research by Nolan and Slater (2010), which was sceptical of the claims of a new, knowledge-based economy developing centred on technology, as predicted by theorists such as Leadbetter (2000). Findings from the case studies have shown differences between sectors are not reducible to questions of productivity or profitability alone because such categories are static and do not fully reveal what is happening to labour-power in
production. Productivity, as measured in the orthodox sense as a ratio of inputs to outputs, does not take into consideration complexities of the labour process and as such focusing on measuring productivity is limited (Nolan, 1989b). Similarly a focus on profitability does not sufficiently reveal enough about power dynamics within firms and runs the risk of succumbing to neo-Ricardian distributional essentialism (Glynn & Sutcliffe, 1972). It has instead been necessary to analyse the different production processes at the six employers studied through the lens of value relations, specifically in terms of what strategies are used to increase surplus value production. Chapter 6 noted that strategies of absolute surplus value production are more common in business service employers whereas relative surplus value production prevails in sectors where technological utilisation is higher, such as manufacturing. The complexities of the labour process – and the demonstration that the workplace is a site of class-based social conflict – goes some way to challenging orthodox theories of HRM (detailed and critiqued in Thompson, 2011), which exclude analysis of conflict, fail to distinguish labour and labour-power, and individualise the workforce through reliance on HCT.

4. Combined analysis

Evidence presented in Chapters 4, 5, and 6 illustrated how factors shaping young workers’ material conditions are inter-related and cannot be studied in isolation. The details of this methodological approach were outlined in Chapter 3. Chapter 4 explored the indirect relationship between young workers and processes of capitalist change in Greater Manchester, highlighting how the weight of history continues to affect labour market outcomes for young workers in the present-day.
Chapter 5 examined the relation between the local state and young workers, explaining how the composition of the local state was affected by its inability to reconcile contradictions stemming from capitalist accumulation. Chapter 6 explored the relationship of local employers to young workers, and how the specificities of this relation result in varied material outcomes. In all three empirical chapters there are underlying processes which manifest in different forms. The contradictory capital-labour relation expresses itself in the form of the NIDL, as explored in Chapter 4. The capital-labour relation is also expressed through the contradictory actions of local state actors, as Chapter 5 detailed, and in the power dynamics of employment relations, covered in Chapter 6. By drawing together these chapters several analytical points can be made; these are detailed in sections 4.1 – 4.4., below.

4.1. The decline in the value of labour-power for young workers in Greater Manchester’s labour market

Chapter 1 detailed the analytical significance of the value of labour-power and emphasised it is an abstract concept which is shaped by a range of factors and is not reducible to wage-rates. The value of labour-power can be affected by processes occurring in the spheres of production, exchange, as well as by the actions of institutions, such as the state and trade unions. While it is not possibly to directly measure the value of labour-power it is possible to assess changes in factors which affect the value of labour-power in order to observe whether it generally rising or falling. The evidence presented in Chapters 4-6 of this thesis suggests a decline in the value of the labour-power of young workers in Greater Manchester. This decline has been the result of both historic and ongoing processes which can be empirically observed, including: shifts in capital flows and resultant changes in production and the NIDL, shifts in state policy, and
changes in business strategies and employment relations. That changes in Greater
Manchester have been the outcome of these varying processes emphasises the
need to move beyond institutionalist accounts of why labour markets vary (Hall,
2001) and instead focus on fundamental processes of political economy, as laid
out by Marx and subsequent Marxist scholars (Marx, 1867 [1990]; Fine, 1998;
Coates, 2014)

Chapter 4 illustrated how shifts in the sectoral and occupational composition of
Greater Manchester have increased low-paid employment which young workers
are disproportionately employed in. Low-paid sectors were found to be
expanding in a way which may crowd out other types of employer. This growth
is partially due to the low turnover time of low value-added service sector
employers, which is in contrast with employers in manufacturing. This process
can be aided by the local state if local state actors perceive the low-wage business
model to be of benefit to the locality and therefore promote it rather than other
alternatives. This form of uncoordinated, neoliberal local development has
occurred in Greater Manchester, as Chapter 5 illustrated. The prevalence of low-
paid employment devalues labour-power in the sphere of exchange as a young
worker is less able to purchase wage-bundle commodities with their wage, unless
prices also decrease, which existing evidence shows has not occurred (ONS,
2018a). Chapter 4 also noted how there have been shifts in education and VET
 provision for young workers characterised by a marketisation of provision in
which costs are individualised and transferred on to young workers, rather than
being borne by society through general taxation. High levels of indebtedness
amongst young workers who have borrowed to pay for their education are not
only a source of profit for the financial sector, they also acts as a disciplinary
measure on young workers in the labour market, who must work and earn in order
to pay off their debts. All of these factors result in the lowering of the value of
youth labour-power.
Chapter 5 illustrated how local state actors pursue policies which have exacerbated the growth of low-waged employment in Greater Manchester and have acted in a way which prioritises the interest of the private sector over young workers. The local state is a site of class conflict and in Greater Manchester the interests of private capital are dominant: representatives of labour are excluded, and labour market policies are shaped to primarily benefit employers. These factors result in the degradation of labour-power, in spite of some local planners arguing their actions are benefitting the locality. Chapter 6 explored how the production process affects the value of labour-power. It noted how opportunities for increasing productivity gains using technology were limited in most of the service sector employers, resulting in productivity gains being made from sweating labour. Chapter 4 commented on how the expansion of the service sector in Greater Manchester was only possible because labour-power had been devalued by deindustrialisation and there had been a subsequent failure of the state to progressively intervene at the national level which was expressed in Greater Manchester through the actions of local state managers.

The combined evidence from Chapters 4-6 illustrate that young people have had their collective labour-power devalued by: lower-wage levels, a transferring of the costs of social reproduction on to individual young workers, neoliberal state policies which exert disciplinary pressures on labour markets and, the nature of the commodity production process in which productivity gains in the service sector are absolute rather than relative. There are also other moral and historical factors which affect the value of youth labour-power, one being the deliberate undervaluing of the labour of young workers through discriminatory, age-stratified NMW legislation. There is no empirical basis for stratifying wages by age, and the consequences are young workers become disadvantaged relative to all-age workers. This disadvantaging is evident in jobs which are disproportionately done by young workers becoming seen as ‘youth jobs’ which
are not afforded the prestige of other jobs and as such are not afforded the same levels of pay, prestige, or regulatory scrutiny as other jobs (Blanchflower, 1999b; Grimshaw, 2014). Young workers have also been the victims of shifts in education and VET discourses in the neoliberal era which have advocated a highly individualised, atomised perception of the self, one in which structural factors are not seen to be important determinants of labour market outcomes. This perception was evident in remarks by local labour market actors who stressed the need for young workers to develop their own employability and invest in their own increasingly expensive education. A consequence of the growth of the neoliberal idea of selfhood is that young workers may come to view their lack of success or progression in employment as exclusively their own fault, rather than because of the actions of employers, the state, or capitalist social relations in general. This view can lead to feelings of pessimism and undermine potential collective responses, which are considered below.

4.2. Responses of organised labour

The empirical chapters of this thesis highlighted the limited influence which trade unions have in Greater Manchester in being able to affect the behaviour of employers or local state actors. Both business services employers did not recognise trade unions, and at the four employers which did the levels of trade union activity were minimal. Trade unions only intervened in periods of dispute or when redundancies or disciplinary proceedings were occurring. At all of the six cases studied there was no pro-active tendency for trade unions to agitate for improved wages or working conditions, highlighting the largely defensive nature of trade unions at each employer. The generalisability of this claim is high, as the six cases studied span a range of sectors and occupations. The weaknesses of trade unions in Greater Manchester is likely a reason for the persistence of low-
wage employers; research shows trade unions can compress wage differentials between high and low wage workers, achieving greater workplace equality (Bryson & Forth, 2011). Trade unions, in agitating for wage increases, can also lead to productivity increases being made which benefits employers (Nolan & Marginson, 1990). This absence of significant trade union influence is a factor contributing to continued expansion of neoliberalisation as there is no counter-balance to the tendency to intensify the exploitation of labour. The exclusion of trade unions from having any decision-making role across Greater Manchester’s local labour market is indicative of the neoliberal direction of local state governance in Greater Manchester; this tendency also exists at the national level in the UK.

4.3. The prevailing labour market of Greater Manchester for young workers

The empirical chapters of this thesis have detailed how various historical factors and contemporary processes have come together to create a labour market in Greater Manchester which is characterised by high volumes of low-paid employment. The local labour market is governed by a local state whose local economic strategy promotes the growth of this type of employment. The configuration of Greater Manchester’s local state policies, the sectoral and occupational composition of its local economy, the historical legacies of earlier phases of accumulation and the activities of other labour market actors, have led to a prevailing form of accumulation existing in Greater Manchester. In this prevailing accumulation ‘low-road’, low-wage employment is the norm and all subsequent developments and reforms can potentially lock-in this type of accumulation. This type of accumulation impacts upon wage-levels, recruitment patterns, skills-utilisation and development, training, and career progression.
These features are most evident in the ascendancy and prevalence of service sector employers in Greater Manchester. The empirical chapters of this thesis noted differing perceptions of the service sector exist: policy-makers and state manager viewed its growth as beneficial, or at least benign, whereas critics of service sector employment argue it generates jobs which are resistant to improvement and therefore characterised by low-wages and overall poor conditions. Findings presented in the empirical chapters of this thesis substantiate these latter claims. Evidence illustrated that work in the service-sector is of a generally low standard unless it is combined with a high level of technological utilisation requiring high levels of technical skill, as evidenced in the digital sector case study.

4.4. The limits of social democratic strategies

Chapter 2 noted how social democratic strategies may have the potential to improve the material conditions of young workers by generating better quality work and implementing more equitable labour market and welfare policies. Attempts at progressive economic reform can however run the risk of succumbing to the same political and economic crises which affected the local state in Greater Manchester in the 1980s, when the GMCC was abolished by national government because of its attempts at municipal socialist policy-making. This risk is ever-present as social democratic strategies seek to simultaneously act within and against the market, meaning they are always at risk of being overwhelmed in their attempts to contain the contradictions of capitalism. Chapters 1 and 2 of this thesis noted that capital cannot overcome its contradictions; it can only displace them spatially and temporally. It is young workers who find themselves disproportionately affected by the negative outcomes of policies which attempt to reconcile these contradictory outcomes of capitalism.
Chapter 5 discussed how the local state in Greater Manchester favours neoliberal resolutions to the contradictory outcomes of capitalist accumulation. It described how there are some attempts by the local state to promote social democratic outcomes such as the promotion of headline sectors, but these are tangential and insignificant in the face of prevailing neoliberal governance strategies. The local state in Greater Manchester was shown to have few powers to act independently, resulting in low-wage employment in sectors with low-road business strategies which crowd-out other types of employment through their ability to utilise the labour-power of devalued young workers. These strategies preclude institutional pressures from the state to engage in higher value-added production. Most of the businesses studied had little or no substantive state involvement. The dominant picture is of businesses acting alone, without any coordination from the state. This outcome is partially because of the failure of the British state to develop a sustained industrial strategy in the last four decades, meaning that it is harder for British-based employers to upgrade to higher-value added business strategies. Many employers cannot risk individually upgrading due to cost reasons and have followed low-road business strategies.

5. The material conditions of young workers in Greater Manchester

The analysis presented above illuminates the working conditions of young workers in Greater Manchester. Chapter 4 emphasised the limits of using pre-existing descriptive social categories such as ‘youth’ as analytical categories for material conditions. Youth essentialist approaches were found to be wanting as age was found not to be the primary factor shaping the material conditions of young workers. This point is most clearly illustrated by the fact that material
conditions of young workers do not suddenly increase substantially upon turning 25; poor quality of employment affects many workers throughout their working lives. Evidence from Greater Manchester indicates it is more useful to conceptualise the local labour market as having a problem of an over-abundance of ‘bad jobs’ rather than of ‘youth jobs’. Whilst there are specific factors affecting young workers these ought to be understood as compounding labour market problems which are caused by structural tendencies emanating at the level of political economy. These include: historic changes in the sectoral and occupational composition of labour markets, and decades of neoliberalism guided by the British state, which has expanded the power of capital and reduced the capacity of labour to collectively resist. The collective aspect is important for understanding the material conditions of young workers. Throughout this thesis it has been emphasised that young workers are bearers of abstract social labour which manifests as individual private labour in the workplace and though state-regulated employment relations. This thesis has also argued that it is the antagonistic capital-labour relation which is the central, underlying relation driving processes which shape material outcomes in society. This thesis has therefore argued that young workers must be located within this relation.

The empirical chapters have gone on to detail how antagonistic class relations drive capitalist society and manifests in different aspect of social life, chiefly in: the capitalist production process, the capitalist state-form and state policy, employment relations, and the labour process. Chapter 4 expanded upon how changes in capitalist accumulation across Greater Manchester had led to a decline in manufacturing employment for young workers which has diminished job opportunities. Chapter 4 also demonstrated how the emergence of the service sector has replaced jobs lost in manufacturing in terms of quantity but not in quality, resulting in an hour-glassed labour market in Greater Manchester.
Chapter 4 also noted how the role of the British state in directly fostering this low-wage growth model through neoliberal policies.

Chapter 5 highlighted how neoliberal polices have been pursued and locked-in locally to the extent which local state actors have been necessitated to engage in entrepreneurial urbanism in order to promote capital investment. This strategy has led to further transfers of power to the private sector and a de-prioritising of the needs of other social groups such as marginalised young workers. Chapter 6 detailed the specifics of employment for young workers in several different sectors of the contemporary labour market for Greater Manchester, illustrating how low-quality work in business services was becoming increasingly common. Whilst evidence presented in Chapter 6 does demonstrate how traditional manufacturing can continue to provide good jobs and how new sectors such as digital can also do the same, the sheer size of the low-wage service sector should offset any optimistic proclamations that these sectors can by themselves improve the labour market for young workers.

Chapters 4-7 have highlighted the necessity of analysing the material conditions of young workers in a manner which incorporates all of the various manifestations of the capital-labour relation. The research has illustrated the limited ability of employers to individually improve conditions for young workers, and the restrictions placed on organised labour which prevent them militating for better conditions. This research has also detailed the limitations of the local state to pursue a progressive policy course. The local state in Greater Manchester has pursued a broadly neoliberal policy course for the last three decades which is characterised by uncoordinated economic growth and the favouring of private sector for-profit capitalist firms above other social actors. The local state is not sovereign or autonomous and must rely on other social actors – namely the national state and private capital – in order to operate.
Another important point is the need to conceptualise young workers and their labour-power as an aspect of total social labour. There are specific factors which affect young workers which have resulted in them becoming marginalised workers whose labour-power has been socially devalued because of this status in the same way as historically occurred to the labour-power of women and ethnic minorities. However, young workers must also be understood as being part of total labour in order to understand what effect processes impacting young workers have on labour-in-general. One consequence is the conditions affecting young workers may become increasingly common amongst all-age workers. As young workers become all-age workers they may have come to accept the degradation of their labour-power, seeing it as natural, and may therefore continue to accept low wages and poor-quality working conditions.

The neoliberal era is characterised by the increased structural power of private capital and its increased encroachment into all aspects of social life. The result in Greater Manchester is a local state apparatus which generally favours private capital as it which is pivotal to maintaining Greater Manchester’s production-reproduction nexus. It is possible to counter this claim with the argument that private capital has always been dominant and the current situation is not unremarkable. In one sense this is true, but what has occurred in Greater Manchester over the last three decades has been the deepening of capitalist social relations, the weakening of non-capitalist forms of social provision (most notably the public sector), and the diminishing of resistance to these processes in the form of opposition form the local state, trade unions and civil society. The consequence has been a devaluing of the labour-power of young workers and a resultant worsening of their material conditions.
Summary

This chapter has highlighted findings from each empirical chapter and presented a combined analysis which assesses the implication for young workers in Greater Manchester. Section 1 analysed the empirical findings from Chapter 4 and detailed how a changed sectoral and occupational composition of the labour market has resulted in the proliferation of low-paid, insecure work, and reduced opportunities for labour market progression and advancement. This latter point was revealed to be due to the neoliberalisation of education and VET provision. Section 2 analysed findings from Chapter 5 and the limitations of local state strategies and policies for young workers, demonstrating how local state managers favour the neoliberal resolution of capitalist contradictions in Greater Manchester. Section 3 analysed findings from Chapter 6 to show how differing business strategies led to different material outcomes for young workers, expressed in the form of skilling and training provision, career progression, working conditions, and levels of remuneration. Section 4 offered a combined analysis and explored several themes which ran through all three empirical chapters, notably: the devaluing of youth labour-power and the limited responses from organised labour, prevailing labour market conditions for young workers, and the limits of progressive alternative strategies within capitalism. Section 5 united the themes presented in section 4 into a comprehensive analysis. Chapter 8 begins from where section 5 ends. It presents a summary and analysis of the entire research project and links together all of the chapters by giving answers to the research questions posed in the introduction to this thesis.
Chapter 8 – Conclusion

Introduction

This concluding chapter provides an overview of the thesis, demonstrating how the research has met its research aims and what significant contribution it makes to existing research. Section 1 of this Chapter examines how the thesis met the research aims laid out in the introduction. Section 2 provides answers to each of the research questions which guided this thesis. Section 3 assesses the original contributions made by the research. Section 4 considers opportunities for further research resulting from the findings of this thesis, and section 5 outlines potential policy implications.

1. The research aims of this thesis

This thesis has conducted a sustained piece of research examining how capitalist accumulation affects the work and employment conditions of young workers in Greater Manchester. The research was guided by three questions. Firstly, how do processes of capital accumulation manifest in local labour markets and how do these processes affect young worker’s material conditions? Secondly, what is the relationship between the local state and young workers, and how does it affect young worker’s material conditions? Thirdly, what is the relationship between the local employers and young workers, and how do they affect young worker’s material conditions?

In order to answer these questions literature reviews were presented in Chapters 1 and 2 which critically appraised pertinent theoretical and empirical research.
The methodological approach and research of this thesis was detailed in Chapter 3 and specified how and why a local labour market approach was selected. Chapters 4-6 operationalised the three research questions of this thesis and presented empirical findings. Chapter 7 provided an analysis of findings from each empirical chapter and synthesised findings using the method of articulation laid out in Chapter 3.

2. Headline findings

The three research questions which guided this thesis focused on a different aspect of the relationship between young workers and capital. Question 1 theoretically situated young workers by detailing how abstract social labour manifests in the individual, concrete labour of young workers in Greater Manchester. The method of articulation was then used to situate young workers within global processes of capitalist accumulation in order to understand how historic processes of deindustrialisation, service sector growth, and the expansion of neoliberal policies nationally have led to transformed labour markets for young workers in Greater Manchester in which the labour-power of young workers has been devalued. Chapter 1 therefore illustrated how processes of capital accumulation manifest in the sectoral and occupational composition of locality. Greater Manchester has a diminished manufacturing base because the tendency of capital to over-produce generated a crisis of capitalism in the 1970s which caused a devalorisation of fixed capital and labour-power. This shift created the conditions for the growth of what is now a large, low value-added service sector in Greater Manchester.

The outcomes of these processes explain the occupational distribution of Greater Manchester which is another area in which processes of capitalist accumulation
are evident. The growth of the service sector has led to the growth of low-paid, low-skilled work which is characterised by managers having few incentives to increase productivity through technological improvements. Managerial reticence and limited progressive interventions by the state nationally or locally leads to a labour market which is hour-glassed and characterised by low-paying jobs with few career prospects. The difficulty for young workers to advance in chosen careers is made worse by the neoliberalisation of education and VET provision which has occurred since the 1980s. This process is another example of how capitalist accumulation manifests in local labour markets. The need for capital to expand into new areas of profitable accumulation has led to the marketisation and privatisation of many formerly public services. The national state has promoted this development and has not pursued alternative development strategy or coherent industrial strategy.

Question 2 examined how the capital-labour relation manifests in the relation between young workers and the local state in Greater Manchester. Question 2 revealed how young workers were directly and indirectly affected through the local state’s imposition of neoliberal economic strategies in Greater Manchester. The actions of local state managers were found to be heavily influenced by the same contradictory processes of capitalist accumulation which have shaped Greater Manchester’s labour market since the 1980s. Local state managers have become increasingly reliant on private capital in order to maintain the production-reproduction nexus across Greater Manchester. The result is that the power of private capital over local economic institutions which shape labour markets has drastically increased. This trend has been particularly acute since 2010 as austerity policies have increased strategies of entrepreneurial urbanism in Greater Manchester.

Young workers have been indirectly affected as they have been forced to work in a local economy whose growth strategy is based on low-waged employment; this
is in spite of some remedial attempts to develop ‘headline sector’ employment by
the local state. The limitations of these attempts are evident in the continued
growth of low-waged, low-productivity work. Young workers are directly
affected by the local labour market interventions of the local state which attempts
to push young workers into any employment as part of a wider aim of economic
growth. Young workers subsequently become a source of cheap labour-power
which is subjected to disciplinary labour market interventions should it fail to
actively take control of its own employability and find gainful employment.
Local policies reflect policies which have emerged nationally in the neoliberal
era and are part of the ongoing attempt by capital – through the state – to
externalise the costs of social reproduction and maintain levels of profitability.

Question 3 examined how the labour-power of young workers is used by different
employers across Greater Manchester. Question 3 uncovered a tendency for
employers in Greater Manchester to operate business strategies which result in
young workers experiencing an intensified labour process in which they are
effectively sweated in order to achieve productivity increases. There were
sectoral differences in conditions of work and employment across Greater
Manchester. Working conditions were more favourable in manufacturing and in
the digital sector. These sectors only employ a very small percentage of young
workers, however, and manufacturing employment continues to decline in
Greater Manchester. It is unlikely in the short or medium term that the digital
sector – which also offered high-quality work – will be able to replace these lost
jobs unless it has substantive state support, which it currently does not in Greater
Manchester. At present most young workers are employed in business services
(and similar service sector work such as retail and hospitality, and personal
services) in which there is no incentive for management to utilise technology to
increase productivity to reduce the strain on workers. There is no pressure for
this alternative business strategy because there continues to be an abundance of cheap labour available in Greater Manchester in the form of young workers.

Young workers in business service employment have often been unable to access education and VET provision which would allow them to participate more readily in more advanced work, further compounding their problems. The majority of employers which were studied did not offer substantive training programmes or opportunities for progression. Instead they externalised what they could on to the state and expected the latter to provide workers equipped with necessary skills and characteristics. This impasse leads to a situation in which low-wage, low-skilled, low value-added production becomes normalised and is actively promoted by local and national state managers who have seemingly embraced the notion that there is no alternative to polarised, unequal labour markets. Progressive change – in the form of agitation for increased wages, more training, and change in working conditions – could come from trade unions but this research has shown trade unions to have been marginalised from decision making in both the workplace and at the level of local economic governance in Greater Manchester. The failings of trade unions have been partially due to the UK having some of the most draconian anti-trade union laws in the Western world.

3. Original contributions of this research

This thesis offers new contributions in the areas of theory, method, and empirical data. A major contribution of this research has been to provide a holistic understanding of how capitalist accumulation shapes the work and employment conditions of young workers. This contribution has been realised through drawing on Marxist theories of political economy. The Marxist method of articulation has been harnessed to develop a local labour market methodology to
illuminate the complexities of the capital-labour relation in Greater Manchester. The findings and analysis presented in this thesis contribute to various areas of research, including: labour markets and working conditions for young workers, local labour market behaviour, local economic governance, and employer strategies. The theoretical, methodological and empirical contributions of this thesis will be discussed by commenting on the contributions of each chapter.

Chapter 2 reviewed existing research on young workers in contemporary labour markets and found explanations of young workers’ conditions to be wanting for several reasons. Explanations were found to be essentialist and tautological as they argued young workers experienced poor working conditions because they were young. Inter-generational explanations identified generational conflict and inequality as the main cause of young workers’ material conditions, whilst downplaying the importance of other social cleavages. Even research which conceives young people as workers does not substantively engage with theories of political economy. This thesis has by contrast presented a rigorous theoretical framework which draws on Marxist theory and which is supplemented by empirical research on labour markets, the state, and private employers. This approach has resulted in a detailed methodology and research design which was used to move from the abstract to the concrete, and from the global to the local. This approach resulted in a coherent, rigorous, historically grounded analysis of young workers in Greater Manchester.

The thesis has illustrated how the material conditions of young workers are affected by a range of factors, in particular: the shifts in labour market composition, the composition of the state and the policies which state managers pursue and the business strategies and actions of private employers. Crucially, these factors are manifestations of class-based social relations which result from the hegemony of the capitalist mode of production. By situating analysis of young workers within this mode of production it has been possible to
systematically analyse their material circumstances in a way which does not succumb to ad-hoc mid-range theoretical explanations. This thesis has shown how empirical findings presented in Chapters 4-6 are inter-linked and are shaped by the contradictory nature of capitalist accumulation. These findings are unified through drawing on the concept of value and value relations, specifically the way in which young workers have experienced a decline in the value of their labour-power in the neoliberal era. The theory of value connects capital and labour and is central to the method of articulation which has been utilised throughout this work to connect abstract processes of capital with material outcomes. The method of articulation facilitates an analysis of how capitalist accumulation affects young workers; this is because capitalism is a processual system which cannot be isolated and understood through static analysis. The analysis presented in Chapter 7 emphasises this point. It demonstrates how each aspect of the capital-labour relation for young workers which is examined is by itself partial and incomplete, and can be but one moment of the continuum of capitalism. It is only by combining these different aspects that a greater understanding of capitalist social relations and their outcomes can be developed. This approach has proved helpful for analysing young workers as it has revealed how young workers have experienced material degradation in the neoliberal era in the form of devaluation of labour-power.

This research has contributed to debates on the functioning and behaviour of local labour markets and has emphasised the benefits of adopting a relational approach when analysing social actors. The approach of this research contrasts with accounts of labour markets which do not go beyond looking at the behaviour of institutions to explain labour market outcomes. This research has not only shown how local labour markets operate for young workers, it has also revealed the underlying capitalist processes which explain why labour markets behave the way they do. These insights are evident in the analysis of local state actors and
institutions which uncovered the dynamic and contradictory nature of the local state. The explanations in this thesis are at odds with static descriptive accounts of the local state which often resort to functionalist logic when attempting to explain behaviour.

The same approach was taken when examining the actions of local employers in Greater Manchester. Local employers could not be analysed using the same concepts as were used to analyse the local state as the capital-labour relation manifests differently in the workplace than at the level of the state. The relationship between employers and employees is one of domination: capital has purchased the labour-power of young workers and in theory has control over it in the labour process. In reality the employer-employee relation is one of struggle and contestation. The relationship between the state and young workers is in theory an equal one as all individuals have equal rights. However, the structural power of private capital was found to be more able to exert itself through the institutions of the local state than organised labour. Having assessed the overall contributions of this research, this chapter will now go into more granular detail about how these contributions were made in each chapter.

Each chapter makes specific research contributions, alongside the overall contribution of the thesis. Chapters 1 and 2 presented a critical literature review of relevant material for this thesis. The contribution of these chapters is not only that they offer a well-composed summary of various literatures, but also that they highlight areas of overlap between literatures which act as the starting point for new research. The theoretical material presented in Chapter 1 illuminates how empirical research presented in Chapter 2 can be reconsidered using a different analytical lens. Chapter 3 developed a rigorous, Marxist methodology and research design which was used to operationalise the research questions of this thesis. The methodology and research design of this theory are useful in that they present a clear and concise explanation of how the method of articulation can be
used to examine empirical phenomena and explain them in relation to concepts at higher levels of abstraction.

Chapter 4 began by situating young workers spatially and temporally in Greater Manchester’s local labour market. Young workers were situated globally, not in relation to its geography, but in relation to their position in the NIDL. This insight is an important theoretical contribution because by situating workers within the global capitalist totality they can be understood in terms of their class position rather than their nationality. This approach differentiates itself from other approaches to local labour market analysis, which – by focusing on the local – often succumb to methodological nationalism. The data presented on labour markets in Chapter 4 illustrated how abstract processes of capitalist accumulation can be grounded locally and how these affect young workers. By locally situating global processes of capital accumulation the aim was not to reify the locality, but rather to highlight how capitalist processes occur differently at different spatial scales. The data presented in Chapter 4 was built on in Chapters 5 and 6 which enriched the analysis of young workers and revealed the multifaceted forms the capital-labour relation takes in Greater Manchester.

Chapter 5 drew on the method of articulation to analyse the local state in Greater Manchester. Chapter 5’s contribution is to present a processual, relational account of the local state emphasising how the local state is better understood as a moment in capitalist class relations and as a site where competing class interests come into conflict. The approach presented in Chapter 5 distinguishes between the abstraction of the state and the institutions and actors which comprise it and identifies the various contradictory capitalist relations which exist in Greater Manchester. These were shown to manifest in: local economic strategic, labour market policies and labour market outcomes for young workers. This approach to analysing the local state is noteworthy as it articulates a historically specific
understanding of the capitalist-state form through precise empirical analysis of young workers.

Chapter 6 presented case studies of six employers across three sectors in Greater Manchester. The contribution of Chapter 6 is it focused on the relationship between employers and young workers rather than simply describing characteristics of employers. This relationship is expressed in: the business strategies of employers, how young workers are recruited and trained, and the labour process for young workers. Chapter 6 illustrated the importance of conceiving the workplace as a site of contestation rather than as a neutral zone where employers and employees unproblematically co-produce. Chapter 6 emphasised the limits of orthodox concepts of productivity by drawing on the theoretical distinction between labour and labour-power. Chapter 6 also stressed how employers’ business strategies do not respond simply to the supply and demand of labour, but to the value of labour-power. This final point is of crucial importance for understanding working conditions of young workers as the value of labour-power influences the form production takes within a locality. The value of labour-power not only affects employer strategies but also shapes the sectoral and occupational composition of labour markets, and can shape the actions of local state managers. Chapters 4, 5 and 6 analysed how the value of labour-power – and value relations more generally – can affect labour markets, the state, and employers.

Chapter 7 presented a theoretically informed analysis which linked preceding Chapters together. Chapter 7 critically explained the empirical findings of each empirical chapter and by drawing upon the theoretical approach in Chapter 1. Chapter 7 demonstrated how to analyse empirical findings through a Marxist analytical lens and analytical process pursued in Chapter 7 successfully explains why the material conditions of young workers detailed in Chapters 4-6 exist, rather than merely re-describing empirical phenomena in a technical language.
4. Opportunities for further research

The theoretical and methodological approach of this thesis and its findings and analysis offer a significant contribution through the opportunities they present for further research. The local labour market approach developed in this research could readily be applied to study other urban labour markets, both domestically and internationally. The method of analysing labour market composition, local state strategies, and employer strategies in this thesis could be used to better understand work and employment conditions for young workers in different labour markets, or for workers in general. The approach taken in this research could be expanded to analyse different sectors of a local economy, or different occupations. The approach could also encompass a greater historical period which would result in richer empirical findings. Alternatively a comparative aspect to the research could be included, for example one which examined different cities in one or more countries.

5. Policy implications

One contribution of this thesis has been to provide an account of the material conditions of young workers which differs from conventional accounts which see recent developments in Greater Manchester’s labour markets as being wholly positive. This thesis has used a critical theoretical framework to understand these conditions and has sought to engage in progressive critique, rather than purely negative critique (Rorty, 1998). This thesis has therefore sought to examine what
actions could be taken in the short-, medium- and long-term to improve the material conditions of young workers.  

At the most immediate level there are opportunities for local governance actors to pursue more equitable economic policies as a result of powers being devolved to them through the Greater Manchester Devolution deal. At present the devolution of powers runs the risk of further locking-in neoliberal governance. This risk can be mitigated if the composition of the local state were to change through political struggle. Struggle could result in local state managers coming to prominence who would be more willing to pursue egalitarian, social democratic strategies which could more fairly distribute some of the risks and rewards stemming from capitalist accumulation, which current neoliberal polices do not.

The political struggle necessary to advance these changes at the level of the local state would require support from a range of social actors. Trade unions fulfil a crucial role in pursuing political change as well as advancing the interests of workers in workplaces. These two aims are inseparable and trade union strategies in Greater Manchester could be improved by linking local political and economic campaigns. Whilst many young workers are politically active, this often does not transfer into workplace engagement or economic democracy. Modernisation strategies need to be pursued by trade unions in order to recruit and mobilise workers in sectors which had proved resistant to unionisation. This suggestion can only be fully realised if there is parallel political support to repeal anti-trade union legislation which exists in the UK, notably the 2015 Trade Union Act.

A longer term strategy which trade unions must pursue is the organising of workers across national borders, as well as across sectors. The analysis presented in this research has illustrated how Greater Manchester has been affected by

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71 Several of the participants of this research asked what the purpose of the research was in a non-academic sense, and what their contribution could concretely achieve. These proposals are partially in response to their requests.
processes of capital accumulation which are inherently global, whereas state and trade union responses have been hampered by their rootedness to a national territory. Capital – expressed most clearly in the form of transnational corporations and financial actors – has been able to overcome national borders, and trade unions need to do the same if they are to remain relevant. There is the need to develop transformational strategies which operate at the level of political economy and which encompass political and economic actors.

6. Concluding remarks

The policy suggestions proposed raise a larger question which is far beyond the narrow confines of this thesis, that is: how to improve the material conditions of young workers - and indeed all workers - if the capitalist mode of production is contradictory and all progressive social reforms face the challenge of simultaneously operating in and against the capitalist market? The presumed answer is to look for solutions which seek to exist outside of capitalist markets, and which go beyond capitalist value relations in their entirety. This proposal would mean overcoming the fundamental contradictions of capitalism – between use and exchange value, and between labour and capital. Although this thesis has based its analysis on the capital-labour antagonism that should not be taken to mean the capital-labour relation is insurmountable. The capital-labour relation is an outcome of the capitalist mode of production, which is ultimately a historical epoch which has a beginning and a potential end. The contingent nature of capitalism means that all the exploitation, alienation, and oppression it generates is potentially only a temporary, transitional historical phenomenon.

The impermanence of capitalism is important for young workers as their material conditions are equally ephemeral. There is the possibility that sectors and
occupations in Greater Manchester which offer high-quality employment – such as advanced manufacturing and the digital sector – will grow and expand in a way which benefits large numbers of young workers. There is also a risk that economic development may be thwarted by the same processes which led to Greater Manchester’s decline in the 1970s and 1980s, chiefly devalorisation, capitalist disinvestment and new waves of deindustrialisation. The risk is ever-present because crisis is intrinsic and internal to capitalism. All that changes are the manner in which capital, the state and labour respond. The current balance of class forces in the UK and Greater Manchester have meant the outcomes of the 2007 crisis have been transferred on to those least able to bear them or fight back, in particularly young workers and the working class more generally.

The short-term consequences are evident from this thesis and been discussed. There is the potential that ongoing degrading of work and employment conditions for young workers will become a downward spiral. This outcome may mean young workers in low-paying jobs come to accept low-wages as the norm, and this becomes the level at which subsequent attempts by capital to depress the value of wages and labour-power more generally occur from. An alternative outcome is that collective pressure is put on capital and the state by organised labour, leading to increases and the value of labour-power and rising living standards. One optimistic point to end on is that capitalist social relations are antagonistic and the future is essentially open as it is shaped by the continuous struggles between capital and labour. The conditions of young workers are determined not by their essential youngness but by how much they will agitate for better working conditions and a better world, within capitalism or beyond it.
Appendices

Appendix 1 – Informed consent form for research participants

Informed Consent for Participation in Research Conducted by Edward Yates, University of Leicester

I volunteer to participate in a research project conducted by Edward Yates, a researcher from The University of Leicester. I understand that the project is seeking to gather data about young workers and labour markets in Greater Manchester.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time.

2. I understand that I have the right to decline to answer any question or to end the interview at any point without giving any reason.

3. The interview will last approximately 30-45 minutes. Notes will be written during the interview. An audio recording of the interview will be made if I consent to this.

4. I understand that the researcher will not identify me by name in any subsequent publications that use information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. I understand that all data collected from this interview will be confidential and anonymised and will be stored securely.

6. I understand that this research has received full ethical approval from the University of Leicester Ethics Board. The University of Leicester is registered with the Information Commissioner’s Office who implements the Data Protection Act 1998. All personal data on participants will be processed in accordance with the provisions of the Data Protection Act 1998.

7. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.

Name of participant:
Signature of participant:

Signature of researcher:

Date:

For further information, please contact University of Leicester Ethics Board, University of Leicester, University Road, Leicester, LE1 7RH, UK.

The contact details of the researcher are as follows:

Email: ey29@le.ac.uk    Phone: 0758 1403 261
Appendix 2 - Sample interview questions

This appendix provides examples of the questions which were asked in semi-structured interviews. The types of question which were asked depended on the individual who was interviewed. Different questions were asked to young workers, local state managers, and local employers, for example.

Interview Questions 1: interview questions for a Senior Manager:

Basics

1. Type of business – factory, shop, restaurant etc.
2. Sector the business operates in
3. Ownership – public, private etc.
4. Profitability of the business
5. Governance of firm – co-operative, charity, board of directors
6. Age of business
7. How many staff work at the business and the size of business
8. Number of young workers (16-24) employed (can offer estimate if precise figure is not known)

Recruitment:

9. What is the most common form of recruitment of staff?
   i. Word of mouth
   ii. Agency
   iii. Advert
   iv. Other
10. What is the most common form of recruitment of young staff (if known)
    i. Word of mouth
    ii. Agency
    iii. Advert
    iv. Other
11. Does the company have:
   i. Any interns
   ii. Any apprenticeship schemes?
   iii. Any graduates schemes?
12. If so, how many young people are employed through these schemes:
   i. Interns
   ii. Apprentices
   iii. Graduates

Labour process:

13. What types of work are done in your business? (link to list below)
   i. Senior management including operations, human resources and financial decisions
   ii. Technical or professional work e.g. research, legal services,
   iii. desk-based administrative work e.g. clerical work, payroll,
   iv. desk-based customer service e.g. call-centre work
   v. desk-based sales work
   vi. customer facing sales work
   vii. creative or design work
   viii. customer facing retail work
   ix. customer facing hospitality work e.g. serving food/drinks
   x. direct production/manufacture of goods in factory setting
   xi. packaging/distribution of goods
14. What sort of work do young workers tend to do most?
15. What sort of technology is used in this work?
   i. Computer software
   ii. Other communication devices
   iii. Machinery
   iv. Transport
16. How are workers organised and managed?
   i. Complete autonomy of workers to complete work
   ii. Some light-touch management
   iii. Line manager system
   iv. Team-based working and self-regulation
v. Use of targets on hourly/daily/weekly basis
vi. Heavy supervision/intensive management

17. What are the terms/conditions that staff are employed under? Contract types, hours worked etc.
18. Are there trade unions or other worker organisations in your workplace?

**Interview Questions 2: interview questions for a young worker**

1. What is/was your job title (check main roles)?
2. How long have you worked here for/how long did you work there, and how long ago?
3. What are/were the pay/hours (and sick/holiday pay?)
4. What are/were the training opportunities?
5. What are/were the promotion opportunities?
6. What is/was an average working day like?
7. What is/was the place of work/office like?
8. What is/was your line manager like?
9. What is/were the senior staff like?
10. Can you say a bit about work pressures – like targets you have/had to meet, and how you are/were monitored while working
11. Do/did you see anything happen which seems/ed unethical or illegal, or you think was unfair or immoral? Either things that happened to yourself or to others
   a. Do/did you ever see colleagues be disciplined or sacked? If so why?
   b. Is/Was there any resistance to the bosses and the work while you were there, if so what form did it take?
12. What are/were the other people doing the same job as you like?
   a. What is/was their background?
   b. Do/did they stay long?
   c. What is/was their average sort of age? Would you say it is/was a young workforce?
13. What did you think about the company?
14. Would you say it is/was a good place to work? Why not?
15. Do/did you ever have any dealings with HR, or trade unions?
16. Any other points you would like to make, or questions for me?
Interview Questions 3: interview questions for a local state manager or elected official

1. Can you say a little about how you came to be an elected official/council officer/[job title] in Greater Manchester?
2. Can you give a brief overview of your day-to-day role?
3. Can you say anything about the dominance of the Labour Party within Greater Manchester and the idea that most challenges to Labour rule are internal rather than external? What impact do you think this has on decision making in Greater Manchester?
4. Can you say anything about the shift away from AGMA and to GMCA? What will this do for power relations in Greater Manchester?
5. Can you say anything about how decision making is made on a day to day basis in Greater Manchester with regard to the role of council officers?
6. Can you say anything on the growth of new forms of governance in Greater Manchester? Specifically I am referring to organisations such as the GM Local Enterprise Partnership and Manchester Growth Company (and New Economy, MIDAS).
7. Could you comment on the relationship between businesses and local government in Greater Manchester?
8. What do you understand Greater Manchester’s economy to be made up of?
9. How has Greater Manchester’s economy developed during your time in office/while you have been in your role?
10. What are you experiences with Greater Manchester’s labour market and (un)employment across the conurbation?
11. What do you think the prospects are for young people in Greater Manchester? As both citizens and workers
12. What do you think about the provision of education, training and skills across Greater Manchester? (if applicable to the interview)
13. Can you say anything about the devolution of powers to Greater Manchester? What are your thoughts on how the decision was reached and what do you think the outcomes will be?
14. Additional questions specifically tailored to the individual being interviewed e.g. about their role in government, or their strategic input in decisions which have been made.
## Appendix 3 – Interviewees (organised by location in thesis)

<table>
<thead>
<tr>
<th></th>
<th>Company/Organisation</th>
<th>Position</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A Trafford Park Charity</td>
<td>Manager</td>
<td>February 2016</td>
</tr>
<tr>
<td>3.</td>
<td>An Economic Development Agency</td>
<td>Former Deputy Head of Strategy</td>
<td>January 2016</td>
</tr>
<tr>
<td>5.</td>
<td>A Local University</td>
<td>Director of Economic Strategy</td>
<td>January 2016</td>
</tr>
<tr>
<td>7.</td>
<td>Trade Union 1</td>
<td>Trade Union Rep</td>
<td>May 2016</td>
</tr>
<tr>
<td>8.</td>
<td>Trade Union 2</td>
<td>Trade Union Organiser</td>
<td>June 2016</td>
</tr>
<tr>
<td>10.</td>
<td>A Local University</td>
<td>Head of Careers Service</td>
<td>January 2016</td>
</tr>
<tr>
<td>12.</td>
<td>A Local State Agency</td>
<td>Senior Manager</td>
<td>August 2016</td>
</tr>
<tr>
<td>13.</td>
<td>A Local State Agency</td>
<td>Senior Strategic Planner</td>
<td>April 2016</td>
</tr>
<tr>
<td>15.</td>
<td>A Local State Agency</td>
<td>Planner</td>
<td>May 2016</td>
</tr>
<tr>
<td>16.</td>
<td>A Local State Agency</td>
<td>Head of Youth Initiatives</td>
<td>December 2015</td>
</tr>
<tr>
<td>17.</td>
<td>Globits</td>
<td>Graduate engineer</td>
<td>November 2015</td>
</tr>
<tr>
<td></td>
<td>Company</td>
<td>Position</td>
<td>Date</td>
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</tr>
<tr>
<td>18.</td>
<td>Globits</td>
<td>Recruitment manager</td>
<td>November 2015</td>
</tr>
<tr>
<td>19.</td>
<td>Globits</td>
<td>Recruitment officer</td>
<td>November 2015</td>
</tr>
<tr>
<td>20.</td>
<td>Woodfields</td>
<td>CEO</td>
<td>January 2016</td>
</tr>
<tr>
<td>21.</td>
<td>Woodfields</td>
<td>HR manager</td>
<td>January 2016</td>
</tr>
<tr>
<td>22.</td>
<td>Red door</td>
<td>Office/recruitment manager</td>
<td>April 2016</td>
</tr>
<tr>
<td>23.</td>
<td>Red door</td>
<td>Administrator</td>
<td>April 2016</td>
</tr>
<tr>
<td>24.</td>
<td>Tolimont</td>
<td>Call-centre worker</td>
<td>December 2016</td>
</tr>
<tr>
<td>25.</td>
<td>Tolimont</td>
<td>Supervisor</td>
<td>December 2016</td>
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<tr>
<td>26.</td>
<td>Tolimont</td>
<td>Recruiter</td>
<td>December 2016</td>
</tr>
<tr>
<td>27.</td>
<td>Socrates Technology</td>
<td>Company co-founder/co-owner</td>
<td>April 2016</td>
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<tr>
<td>29.</td>
<td>Castle Theatre</td>
<td>HR manager</td>
<td>July 2016</td>
</tr>
<tr>
<td>30.</td>
<td>Castle Theatre</td>
<td>Hospitality Worker</td>
<td>July 2016</td>
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<tr>
<td>31.</td>
<td>Local Employer – manufacturing</td>
<td>Engineer</td>
<td>February 2016</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(data not used)</td>
</tr>
<tr>
<td>32.</td>
<td>Local Employer – retail and hospitality</td>
<td>CEO</td>
<td>July 2016</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(data not used)</td>
</tr>
<tr>
<td>33.</td>
<td>Local employer - communications</td>
<td>HR manager</td>
<td>March 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(data not used)</td>
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</tbody>
</table>
Appendix 4 - Thematic codes used for analysing interview data

The coding framework presented below was used to systematically order primary data collected from interviews so that it could be thematically analysed. Nodes in bold are parent nodes and other nodes are child nodes.

<table>
<thead>
<tr>
<th>Employers /Businesses</th>
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</thead>
<tbody>
<tr>
<td>Attitudes</td>
</tr>
<tr>
<td>Business statistics</td>
</tr>
<tr>
<td>Growth - import or export</td>
</tr>
<tr>
<td>Occupation</td>
</tr>
<tr>
<td>Public - Private</td>
</tr>
<tr>
<td>Sectors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulation - model - growth</td>
</tr>
<tr>
<td>Investment</td>
</tr>
<tr>
<td>Local Labour Market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>educators - trainers</td>
</tr>
<tr>
<td>employers</td>
</tr>
<tr>
<td>recruitment agencies</td>
</tr>
<tr>
<td>the state</td>
</tr>
<tr>
<td>trade unions</td>
</tr>
<tr>
<td>composition</td>
</tr>
<tr>
<td>employed - unemployed</td>
</tr>
<tr>
<td>productivity - productive - unproductive</td>
</tr>
<tr>
<td>Relation to broader economy - other economies</td>
</tr>
<tr>
<td>size - statistics - change</td>
</tr>
<tr>
<td>Budget statistics - Employment stats</td>
</tr>
<tr>
<td>Growth</td>
</tr>
</tbody>
</table>
Population
Qualification - education - skills stats
Wages - pay - productivity
Youth - age statistics

**Local State**

Actors
bodies - organisations
individuals
networks

Contradictions SD (social democratic)
1 - new productive socialisations
2 - cooperation with labour
3 - territorial specialisation
4 - active state action
5 - promoting capital in general - state autonomy from capital

Contradictions NL (neo-liberal)
1 - promoting flow of all capitals
2 - disciplining of labour through policy and expanding markets - fragmentation and competition of labour
3 - lowering and equalisation of factor costs and final prices
4 - risk of politicisation - depoliticisation strategies e.g. interaction with other scales
5 - transfer or subordination of local state power to private capital

**Governance Strategies**

Policies
aims - targets of policy
official - formal - discourse
unofficial - informal
budgetary - finance policy
infrastructure policy
local economy - labour - employment policies
origins of policies
agglomeration
from central government
justification - reasoning - theory behind policy
locally created
other policies
outcomes - impacts of policies
skills policies
my notes in transcripts

**Young Workers**

Characteristics
Apprentices - Trainees
qualitative statements - claims
stats on apprenticeships
Educations & Qualifications
Graduates
Internships - traineeships
NEETs
skills
Conditions of Employment and Work/ the labour process
change
competition
Interview process
progression - promotion
insecurity - precarity
intensification
productivity
tasks
training
value of labour-power
wages

**Youth Unemployment**
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