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Reproducing low wage labour: capital accumulation, labour markets, and young workers

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Abstract:

Drawing on evidence from Greater Manchester, this paper examines how structural changes in capital accumulation have created particular labour market outcomes which have led to young people becoming a source of cheap labour for the growing low-wage service economy. Greater Manchester has been selected as a case study due to the sectoral composition of its labour market, and because levels of low-pay for young workers are above the national average of 40%. The research reveals that it is necessary to move beyond sociological explanations that concentrate on the *"*essential youthfulness*" of young* people, and instead draw on analytical categories from political economy in order to understand the structural causes of *young people's* material circumstances.

Keywords: economic change, employment, capital accumulation, labour markets, young people.

Introduction

This paper explores the relationship between conditions of work and employment experienced by young workers, and capital accumulation. It aims to understand the labour market conditions experienced by young people by situating these within broader processes of political economy. This aim is achieved by focusing on the purchase, sale, and usage of the labour-power of young workers. This treatment is not a comprehensive coverage of all forms of youth labour in the contemporary economy. It does not include, for example, enforced or trafficked labour, voluntary or unpaid labour. By not including 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 contemporary labour markets. The paper seeks to advance understandings of young workers in labour markets by answering two interrelated questions: first, what are the main factors affecting the position of young workers in contemporary labour markets, and second; how do these factors relate to processes of capitalist production. Existing research suggests evidence of worsening labour market conditions for young people[1]; the youth unemployment rate is currently 13.7%, 2.7 times higher than all-age unemployment[2] (ONS, 2016a), and the youth unemployment ratio[3] is 20.2%, an historical high in the UK (O'Reilly et al., 2015). Similarly, whilst 21% of all-age workers in the UK are in low-paid employment the number is 40% for workers aged 21-25 and 77% for workers aged 16-20 (Clarke & D'Arcy, 2016: 20). Young workers often find themselves 'churning' between insecure or 'precarious' work and periods of unemployment (MacDonald, 2009; Standing, 2011), whilst recent research by Gregg and Gardiner (2015) has shown a deepening of insecure employment conditions for specific segments of the labour force, particularly for young workers in the UK.

Greater Manchester is a metropolitan county made up of ten metropolitan boroughs.[4] As of 2016, total employment is over 1.3 million, of which approximately 187, 000 are aged 16-24. The county has been selected as a case study because its labour market conditions reflect those of the UK more generally; its labour market is characterised by low-waged employment in service sector occupations, alongside diminishing levels of employment across the public and manufacturing sectors. Across Greater Manchester there are large variations in numbers of young people claiming Jobseeker's Allowance (JSA); in February 2012 northern boroughs of the county had an average youth JSA claimant rate of around 13.6%, whereas southern boroughs had a youth JSA claimant rate of as low as 6.9%. The average for the UK during this period was 8.5% (ONS 2012). Incidences of low-paid employment – defined as employment in which pay is two-thirds below the median income - are higher amongst young workers in Greater Manchester than they are amongst young workers nationally. 57% of

[1] Young is defined as aged 16- 24. This definition is in line with ONS and ILO definitions.
[2] All-age unemployment is 5.1%, as of 2016.
[3]The youth unemployment ratio is calculated by dividing the number of young unemployed by the number young employed, unemployed, and economically inactive. The youth unemployment rate, by contrast, is calculated by dividing the number of young unemployed by the employed, and unemployed. The former is seen as a more useful figure when analysing youth unemployment as it takes into consideration young people who are economically, such as full-time students, full-time carers, and those who are inactive through illness.
[4]These are; Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, and Wigan.

young workers are in low-paid work in the North West region of the UK, compared with 52% nationally (New Economy, 2016a). In addition, hourly and weekly rates of pay for all-age workers are 7.8% below the UK average, with 22.5% of all-age workers being employed in low-paid work across Greater Manchester (an increase of 8.3% over a ten-year period). Furthermore, 10.6% of workers have no formal qualifications, and wage inequality between areas of Greater Manchester is the highest of any metropolitan area in the UK; the gap in average wages between the most affluent borough and the least affluent is 26%. (Centre for Cities, 2008: 45; Harding et al., 2010; ONS, 2014; LFS, 2015).

This paper exposes the connections between the conditions of young workers and the changes which have occurred in Greater Manchester since the 1970s, in what has become known as the neoliberal era (Harvey, 2007). The analysis developed here is different from the dominant approach in sociology, which fails to adequately conceptualise young people as workers and situate them within the capital-labour relationship. In order to add to ongoing debates on young workers the following approach is taken; section one provides a brief overview of the limits of existing literature on young people and highlights the need to conceptualise youth in relation to aforementioned categories of political economy. Section two explores the main factors affecting young workers by examining three areas of labour market change: sectoral and occupational demand, skills demand, and the labour process for young workers. Section three analyses the extent to which young people have become a source of low-wage labour for capital.

1. The political economy of young workers

Existing accounts of young people

The analysis of young people's material conditions is made difficult by the manner in which young people are commonly conceptualised in existing research, where explanation relies on appeals to arbitrary factors such as biology, or intergenerational differences. Arnett (2000), for example, explains the unfavourable position of young workers as being the result of biological factors, arguing that young people experience a process of 'emerging adulthood' in which they are not fully developed as adults and therefore lack the personal capacities needed for stable employment, which only develop in later life (2000: 469). Willetts (2011)

identifies inter-generational economic inequality as the main cause of poor labour market conditions for young workers, arguing that it is differences between age cohorts – notably between so-called 'Baby Boomers' and 'Generation X and Y' – which is the most important social cleavage (2011: 22-3). Whilst there has been an increase in inequality between generations this is due to changes in how profit is generated by UK-based capitals, rather than being an outcome of the conscious and deliberate actions of a particular age cohort. Part of this change is typified by the adoption of low skill, low value-added business strategies by firms, and the related shift in employment from manufacturing to services. Furthermore, it is doubtful that generational differences are as important as Willetts suggests; evidence from a multi-country study conducted by Grimshaw and Reinecke (2015) demonstrates that it is social class, rather than age, which is more influential in shaping labour market outcomes. Youth unemployment was 19% more prevalent, and 'not in employment, education or training' (NEET) status was 22% more prevalent, amongst the bottom economic quintile than the top quintile of the youth populations in the countries that were studied (2015: 368-9).

In a survey of the current field of youth studies Côté (2014) notes that there is a need to draw upon the discipline of political economy in order to better explain the contemporary conditions of young people. Côté's argument can be interpreted to mean that there is the need to examine the structures which affect young people within labour markets, rather than relying on individualised, agential explanations. This point is evident in Côté's call for a perspective which 'investigates the root causes and consequences of the positioning over time of the youth segment in relation to those (adults) in a given society with political and economic power' (2014: 528). Whilst Côté's aim is laudable, his argument does not go into sufficient detail regarding precisely which type of analytical methods from political economy ought to be drawn upon to study young people. In contrast, this paper suggests that - in order to counter to explanations which focus on the essential 'youthfulness' of young people - it is necessary to adopt an approach which understands young people not only as workers but which also situates them within capitalist processes of social production and social reproduction[5]. This approach facilitates analysis using analytical categories of capital, labour, the state, and social class. In taking this approach, the aim is not to deny that age is

[5] Production is used here to refer to the process of producing commodities for sale in a market with the aim of realising profit. The buying and selling of labour-power with the aim of generating profit is a key aspect of the production process. Social reproduction is used here to refer to process through which labour reproduces itself. Central to social reproduction is the usage of the wage labour has earnt through selling its labour-power in order to purchase commodities necessary to sustain itself and its dependents.

irrelevant. However, explanations of young people's material status which identify age as a causal factor can become little more than tautology (Fine, 1992). Identifying age as a causal factor can lead to claims that young people experience unfavourable labour market conditions precisely because they are young, and that poor quality employment conditions in which young people work ought to be tolerated because such jobs are not 'proper' jobs, but are instead 'student' or 'youth' jobs which are not worthy of decent pay or conditions due the very fact that young people are employed in them (Tannock, 2001; Sukarieh and Tannock, 2014). Such an approach ignores the historical factors which shape labour markets and fails to ask why these material conditions prevail. The work of Ashton et al. (1990) identifies significant structural economic changes as a major factor impacting the position of young people in labour markets, arguing that as sectors of the labour market shrink in terms of total employment they become shut off to young people, who are pushed to the back of job queues due to perceived inexperience. This exclusion of young people means that they become clustered in certain sectors or occupations which, because of the numbers of young people employed in them, become viewed as 'youth jobs', unworthy of equal levels of pay or employment status (Ashton et al., 1990; Grimshaw, 2014). The importance of structural factors - in particular, structural change in the form which capital accumulation takes - is therefore critical to understanding why young people experience particular labour market conditions.

2. The material conditions of young people in labour markets

The neoliberal period has been once of immense changes which have restructured the UK economy. Notable amongst these are the decline of manufacturing and the rise of service sector employment, the decline in trade union membership, and the emergence of financialised forms of capital accumulation (Clarke, 2001; McNally, 2009; Fine, 2013; Harvey, 2014; Soederberg, 2014). These changes have continued largely uninterrupted over the last four decades, irrespective of which political party has been in power (Lehndorff, 2012), and the result is altered labour markets and working conditions in the UK for young (and all-age) workers. The underlying causes of these changes can be better understood by situating them within broader changes which have occurred at the level of UK political economy. After the post-war period of economic growth began to slow in the UK, young people began to become affected by worsening labour market conditions. The 1970s saw the

collapse of the 'youth labour market' (Maguire and Maguire, 1997), as core features of post-war system of labour market regulation - wages councils, tripartite negotiation, and broad-reaching collective bargaining agreements - were dismantled (Brown et al., 2009). These changes led to more difficult transitions into employment for young people, a trend which continued into the 1980s (Brynner and Roberts, 1992). This period saw the abandonment of any residual policy commitments to full employment; instead, the control of inflation through monetarist economic policies were prioritised (Clarke, 1988). The policy shifts and the recession of the early 1990s were the surface manifestations of deeper contradictions within the capitalist world economy, which led to a rise in unemployment amongst both young and all-age workers; in Greater Manchester during this period there was a 30% increase in joblessness in 1990-91 alone (Peck and Emmerich, 1992: 29). The Conservative government of the time reclassified many young people as 'trainees' through programmes such as the Youth Training Scheme in what might be judged retrospectively a cynical attempt to solve the problem of rising youth unemployment. This had the dual aim of 'warehousing' youth on redundant training courses in order to reduce unemployment figures, and lowering the costs of youth labour; trainees' wages were around half the adult wage at the time (Finn, 1987). These historical changes in youth labour markets provide a starting point for understanding the contemporary conditions facing young workers. There are three main areas where labour market changes can be seen as having affected young people the most: changes in sectoral and occupational composition of labour markets; changes in the skills demanded by employers, and; the labour process for young people.

Sectoral and occupational change for young people

There has been significant decline in employment in certain sectors of the UK labour market since the mid-1960s, notably, manufacturing and engineering, and primary sectors such as coal, oil, and gas extraction (Martin and Rowthorn, 1986). Since the 1980s there has also been a gradual, punctuated decline in the public sector employment, in particular local government (ONS, 2016b). In their place has been the rise of jobs in the service sector: transport and logistics; retail and hospitality; tourism; financial and professional services; and personal services, such as care work and hairdressing (ONS, 2013). In Greater Manchester between 1995 and 2015 employment in manufacturing fell from 21.6% to 8.8%, whereas in the same period employment in the service sector rose from 69.4% to 85.9% (LFS, 2014;

New Economy, 2015). It is an oversimplification to attribute all changes in labour markets as being the result of a shift from manufacturing to services; the term "service sector" is too broad to describe the changes which have affected labour markets, and the term masks the qualitative changes which have occurred in work and employment of young people (Poynter, 2000: 3-20). In particular, the term obfuscates the manner in which there have been shifts in the occupational distribution of the workforce, leading to an increase in low skilled, low wage jobs at the bottom end of the labour market. The increase in low wage work has occurred alongside an increasing polarisation of wage rates, which has taken place both in Greater Manchester and across the UK (McGovern et al., 2007).

A fundamental change has been the move from a productive economy in which exports manufactured goods formed a large percentage of gross domestic product, to an economy based increasingly on services, in particular financial services. The UK manufacturing sector declined significantly from the 1970s onwards; between 1980 and 1984 alone there was a 25% fall in manufacturing, measured in terms of employment (Hobsbawm, 1994: 304-5). Employment in the service sector, by contrast, has risen sharply, and now accounts for over 82% of all jobs in the UK, up from 58% in 1979 (ONS, 2010; 2016b). Around 7% of these jobs are in the financial sector, a sector which has grown as the UK's economy has become increasingly 'financialised' (Fine, 2013). These changes have affected labour market outcomes for young workers. The decline of manufacturing as an employer has led to the decline of 'shielded' entry-level positions such as apprenticeships, and has also reduced the prevalence of internal labour markets in certain 'white collar' occupations within the manufacturing sector, which allowed opportunities for occupational progression (Ashton et al., 1990; McGovern et al., 2007: 21). Internal labour markets have also diminished in the public sector due the action of successive governments form the 1980s onwards, which fragmented, casualised, and privatised services such as utilities, transport, and, more recently, local government services and social care (Nolan and Slater, 2003; Gamble, 2016). Sectoral change has also led to growth in employment in new sectors for young people, notably retail and hospitality, and business services. In these sectors, existing research demonstrates there is limited capacity for occupational progression and that many of the jobs are low-paid, 'dead end' jobs which do not offer substantive training provision and opportunities for promotion (Roberts, 2011). Nearly a quarter of all employment in Greater Manchester is in low-waged work of this type, slightly above the national average of 21.2% (New Economy, 2016a). A further problem facing young workers is that both internal and occupational labour markets

are becoming increasingly 'hour-glassed', meaning that there are fewer mid- and higher-level positions available, even with the required qualifications and experience (Nolan, 2004; Goos and Manning, 2007; Anderson, 2009).

An altered sectoral composition of the labour market has led to shifts in the occupational distribution of young workers. In Greater Manchester, in the period 2001-2011[6] there was a 3% fall in the numbers of young people occupying jobs in the top three occupational categories, and a 2% rise in the numbers of young people working in elementary occupations (ONS, 2001; 2011). This quantitative change is matched by qualitative change in labour markets which have impacted young people; from 1981-1996 Greater Manchester gained 187 000 jobs in services, making up for the 186 000 jobs which had been lost in manufacturing (Harding et al., 2010) (see table 1). Much of this growth has been in business and professional services - which is now the largest single sectoral employer in Greater Manchester - and retail and hospitality. Young workers in Greater Manchester are nearly twice as likely to be employed in elementary occupations as all-age workers, and are nearly 2.5 times as likely to be employed in sales and customer service occupations as all-age workers, making up 22% and 33% of these occupational workforces, respectively (ONS, 2012). The decline of internal and occupational labour markets has led to increasing amounts young people who try to enter into certain sectors having to participate in what are known as 'entry tournaments'. This is 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).

TABLE 1

Skills, education and training

The prevalence of entry tournaments is symptomatic of the overall levels of increased competitiveness for decent jobs amongst young people in labour markets. Another indicator of this is the increase in 'credentialism' – the process by which jobs come to require qualifications when previously they did not (UKCES, 2012). Credentialism has been caused

[6] The time period 2001-2011 is used as the only age-stratified sub-regional data on the occupational and sectoral distribution of workers is UK Census data, which is conducted each decade. The last UK Census was conducted in 2010.

in part by the increased number of young graduates seeking employment in labour markets where there are not enough 'graduate jobs'[7] available. In 1995 the number of students enrolled in higher education in the UK was 1.5 million. As of 2016 the figure was 2.3 million, an increase of 53% (HEFA, 1996; 2016). As a result of this increase employers can request that candidates possess a degree as a way of filtering the large numbers of applicants. This creates increasingly competitive labour market conditions for non-graduates, who have to compete for a decreasing numbers of "non-graduate" jobs. The majority of UK graduates - 60% - are now employed in non-graduate occupations; a situation which has led to over a third of UK graduates being employed in jobs in which they are underutilised, meaning that they could handle more demanding work which matched their qualifications and skills (CIPD, 2015).

Despite research highlighting the limits of skills-based solutions to labour market problems of low pay and low productivity governments continue to focus on the role of skills, or perceived lack of skills amongst potential employees, as the dominant factor affecting weak labour market performance (Lloyd and Payne, 2002; 2016). Whilst there is some evidence from Greater Manchester that employers report skills shortages as being the biggest problem preventing business growth (MCC, 2016), this does not mean that greater skills acquisition by young workers will improve the overall quality of work, employment, and labour markets. Part of the problem stems from lack of clarity surrounding the meaning of the term 'skills', which can be used to refer to anything from the possessing specific technical knowledge, to the ability to follow orders in a disciplined manner. In many low-discretion, low-paid, routine work the 'skills' which employers want most from their workers are the ability to submit to the authority of management and not complain about poor working conditions or levels of remuneration. As Payne (2017) notes, the current theory of skills subscribed to by policymakers is that of human capital theory (Becker, 1967). In this approach to skills 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. This method of skills development is viewed as a largely unproblematic process which ultimately leads to overall increased economic productivity (Payne, 2017: 55-6). A problem with human capital theory is it ignores the structural factors which may prevent particular individuals or groups from accessing the educational resources to increase their human capital (2017: 57).

[7] The Chartered Institute of Personnel and Development (CIPD) define a graduate job as one which requires 15 to 16 years of education (CIPD, 2015).

Individualised accounts of skills are also problematic as they detract from systemic problems in UK labour markets, notably the failings of successive governments and employers to regulate labour markets in such a way as to provide substantive training opportunities and decent work. Clear evidence that lack of skilled workers is not the reason for low pay and low productivity is that there has been a growth in employment in occupations at the bottom end of the labour market at a time when there has been an increase in the number of qualified graduates entering the labour market. More precisely, there has been growth in employment in non-routine, manual occupations which cannot be easily automated (Nolan and Slater, 2010). This is true in Greater Manchester, where there has been employment growth in both retail and hospitality, and care work, two sectors where the labour process is characterised by tasks which cannot be easily replaced by machines (New Economy, 2015a). As has been previously stated, young people are disproportionately likely to be employed in these sectors in Greater Manchester.

A recurrent theme in the literature on skills is that education fulfils several purposes, one of which being that it inculcates young people with the characteristics, skills, and temperaments necessary for them to participate as labourers within processes of capitalist accumulation. An example of this in the modern era is the trait of 'employability' (Moore, 2010), which can refer to how the aim of education has shifted from providing qualifications and skills needed for specific employment, towards equipping young people with the 'soft skills' necessary to be 'job-ready' in order compete in modern labour markets (Andrews and Higson, 2008). The promotion of employability reflects the desire of UK state managers to increase the competitiveness of the UK labour force in an era of 'hyper-flexible' labour markets in which the UK faces increasing competition from both OECD and newly-industrialising countries as it seeks to attract capital investment (Amoore, 2002; Nunn, 2012). This change in educational priorities also reflects changing labour market conditions; there are now far fewer stable 'jobs for life' and workers are increasingly likely to change employment over the course of their working lives (Sennett, 2011). One aspect of this change is shown by the increase in atypical or non-standard forms of employment in the UK, such as fixed-term and zero-hours contracts, part-time and agency work. Since the 2007 recession full-time employment has increased by 1.7% in Greater Manchester. Temporary employment, by contrast, has grown by 23.4% and part-time employment by 12% (New Economy, 2016b).

Young people are at the forefront of these changes, and as such policymakers regularly promote the notion that young people must uncritically embrace them in order to flourish (Sukarieh and Tannock, 2016). The inculcation of entrepreneurialism amongst young people as a supposed panacea for their labour market problems is another example of how state institutions attempt to foster new skills of self-reliance in changed labour market circumstances. In Greater Manchester there exists local schemes to promote entrepreneurialism amongst young people, alongside pressures from Department for Work and Pensions staff to persuade unemployed young people to become self-employed, in order to simultaneously reduce welfare spending, and attempt to create a culture of enterprise (Burrows, 1991; Barnes, 2013). In Greater Manchester, since 2007 32% of all employment growth has been growth in self-employment (New Economy, 2016b: 18).

Despite claims from some research that young people are happy with labour market insecurity (Wynn and Dwyer, 1999; Roberts, 2009: 262), it seems more accurate to state that labour market change represents a worsening of opportunities for youth. As Ainley and Allen (2013) note, there has been as shift from a situation of 'training without jobs' in the 1980s to 'education without jobs' in the present era (2013:1). Instead, the social category of 'student' - which applies to around 45% of young people - can be seen as legitimating low-paid work and poor quality conditions of employment, as jobs which are categorised as 'student jobs' can become deemed unworthy of decent pay, training, or workplace dignity. This situation is possible as employers perceive young people's employment as temporary, or transitory (Sukharieh and Tannock, 2014). Increasing numbers of young people are remaining in both further and higher education; Keep and James (2011) note that in 1976 'over 75% 18 year olds were in work, in 2009 this was down to 40% [due to the] pull of higher education and the push of lack of youth jobs' (2012: 4). At the same time, financial support to students is diminishing and educational costs are rising. It is likely that these material changes explain the large numbers of students who engage in work whilst at university. 45% of students work part-time whilst studying, and a further 13% work full-time (Gil, 2014). This student workforce is beneficial to employers, who can rely on it to fill vacancies at short-notice. The nature of such work is characterised by insecurity; research has shown the difficulties for trade unions in organising seasonal student workers (Wills, 2005), who typically only work for an employer for the duration of their studies.

However, whilst 45% of young people attend higher education, the other 55% do not. Those who do not must however still remain in education or training, as a result of the raising of the participation-age for young people in England and Wales to 18, as of 2015. This strategy is part of the government's desire to up-skill the UK workforce; this is also a partial aim of the government's desire 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. The largest single occupation for apprenticeships is hairdressing (New Economy, 2014a: 35-45). Pay rates for apprenticeships in Greater Manchester are just over half of the national average, and there is also evidence of widespread underpayment of apprenticeships. 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 understood as fulfilling several roles. 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). There is also the risk that 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, 2014). This is in part the result of the re-branding of 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 people compete with all-age workers for jobs (MacDonald, 2009: 171). Finally, there is the problem that the 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.

The labour process for young workers

The sectoral and occupational shifts which have occurred in labour markets have impacted the labour process for young people who are employed in service-based occupations at the

bottom end of the labour market. Service sector employment in retail, hospitality, and business services has grown most over the past three decades and as a result these sectors now employ over 80% of young workers in Greater Manchester; this is detailed in table 2 (ONS, 2012). A feature of service sector employment which is detrimental to young people is the tendency of employers to adopt business strategies in which productivity gains are achieved through the extension[8] or intensification of the working day. In this accumulation model, labour is in effect 'sweated' in order to make it more productive, and therefore more profitable. In Greater Manchester there is evidence to suggest that a low wage, low value-added business model is the norm amongst service sectors firms; 37.3% of total employment across the county is in what has been labelled 'mundane activities', referring to non-knowledge intensive manufacturing and service occupations (Folkman et al., 2016: 26). This model contrasts with strategies of increasing productivity which are based upon the utilisation of technology, often in conjunction with a well-trained workforce. Low-wage service sector employers which follow this strategy of 'sweating' labour can be contrasted with employers in sectors such as advanced manufacturing, where there is the potential for productivity gains to be made through repeated technical innovation and, depending on other factors, this has the potential to lead to increased profits, which can lead to increased wages for workers (dependent on there being complementary pressure for this from workers). There is evidence of a dependence on strategies of reliance of extension and intensification occurring across UK labour markets at a generalised level (Green, 2001), and in specific industries such as call-centre based business services (Thompson and Newsome, 2004; Thompson and Smith, 2010), and retail and hospitality (Maume and Purcell, 2007).

TABLE 2

In such workplaces there is often an intense, target-driven culture and pervasive monitoring of performance, with little space for personal autonomy (Woodcock, 2016). Often the technology which is used in these workplaces is for the purpose of observing the workforce (Taylor and Bain, 1999; Moore and Robinson, 2016). Across Greater Manchester, large numbers of young people are employed in call centres, which have been relocated to the

[8] In the UK the European Working Time directive prevents individuals from working more than 48 hours a week, calculated over a 17 week period. Individuals can choose to opt out of this if they wish. One form that extension of working day can take is through individuals working unpaid overtime. In 2016 approximately £31.5 billion worth of unpaid overtime was worked in the UK. 0.9% of young people aged 16-19 worked unpaid overtime; this figure rose to 7.2% for those aged 20-24 (TUC, 2016; HM Government, 2017).

county from the South of the UK due to cheaper rents for business properties, and lower average wages (New Economy, 2014b). The growth of forms of capital accumulation in which profit is generated largely through absolute means limits the prospects for sustainable work for young people in the future; the strategy of accumulation pursued by service sector employers has a tendency to act as a sponge which soaks up more labour, as low wages allow high levels of recruitment, increasing the numbers of workers who are in low-paid employment and furthering the prominence of a low-wage, low productivity accumulation strategy amongst employers (Erdem and Glynn, 2001).

3. Understanding youth as low wage labour

This research has addressed two main research questions; the first related to the main factors affecting young workers' conditions in labour markets. These were identified to be changes in the sectoral and occupational composition of labour markets, changes in skills demand, and changes in the labour process for young workers. The second research question pertained to how these changes can be understood in relation to processes of capital accumulation. The central connection between young people's labour market conditions and capital accumulation is the way in which youth labour-power is used by capital, and how this has altered. At an abstract level, changes to young people's labour-power can be conceptualised in terms of young people having experienced a reduction in the value of their labour-power. This reduction is evident by looking at wage-rates across OECD countries; 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). In the UK, the wage-gap between young and all age workers is 60%, this is known as the 'youth wage discount' (Grimshaw, 2014: v). The changes in labour markets conditions which have occurred have led to qualitatively different labour market outcomes for young people. In particular, there has been a shift in the position occupied by young people in labour markets. In the period prior to the 1970s there was a youth labour market in which young people could obtain entry-level positions with relative ease, as well as having the opportunity to progress into higher jobs in higher occupational categories. In the post-1970s period, this type of labour market has largely disappeared. Instead, young workers are now better conceptualised as providing an almost permanent supply of low-waged labour to sectors of the economy which are growing,

largely due to these sectors dominated by accumulation strategies which depends on an abundant supply of cheap labour.

Conceiving of young people primarily as a source of cheap labour for the UK's current model of accumulation is in contrast to approaches which focus on the "essential youthfulness" of young people as an explanation for youth labour market conditions; it is also an alternative to explanations which seek to explain labour market change as being a result of supposedly neutral processes such as technological change (Autor et al., 2003) or 'globalisation' (Blossfeld et al. 2006). From the evidence presented throughout this paper it is possible to argue that the labour market conditions which young people experience are neither accidental nor natural, but are rather the result of conflict over how production and social reproduction occurs, which manifest concretely in class-based struggles over the nature of work and employment in the UK. These struggles are evident in conflict between organised labour and capital, in which young people are under-represented in trade unions; only 5% of UK trade union members are aged 16-24 (HM Government, 2015). Conflict is also expressed through the state, where young people are politically under-represented. An outcome of this is legislation which discriminates against young workers, such as age-stratified minimum wage laws which allow employers to pay young people less for doing the same work as individuals aged over 25.

These struggles have been repeatedly evident in UK state policy; in the 1990s, the aim of UK government, as stated by the former Chancellor of the Exchequer, was for the UK to become a 'no-tech economy' in which competitive advantage of UK-based capitals was to be founded on low wages (Rubery, 1994). Although UK government funding of public sector research did increase slightly in the 1990s it was still far below the levels of other OECD countries; the UK invested less than half of what Germany did, and less than one-seventh of the US (Maass, 2004: 42). Subsequent economic and labour market policy interventions have largely re-enforced this trend; attempts to 'up-skill' the UK working class in the 2000s by promoting the expansion of higher education in order to allow UK-based capitals to compete in higher value-added did little to remedy the underlying structural problems inherent in UK labour markets. Such strategies were largely 'supply-side' and were not accompanied by an industrial strategy which was able to increase demand for this up-skilled labour (Nunn, 2008). Instead, these interventions merely led to a labour market with higher numbers of under-utilised graduates. These structural changes meant that the labour market conditions of

young people were already worsening by the mid-2000s, prior to the 2007 crisis (Dickens et al., 2011). Since 2010, the dominant form which labour market interventions towards young people have taken are coercive and disciplinary; young people have experienced removal of state welfare such as housing benefit, and have been targeted by punitive active labour market policies such as the 'Work Programme', and 'Youth Obligation'; these schemes force young people to engage in compulsory training or work placements, or have their already diminished welfare payments completely removed entirely (HM Treasury, 2010; 2015). This system of labour market regulation has further devalued youth labour-power by transferring the cost of social reproduction away from employers and the state, and onto individuals and households.

Conclusions

This paper has demonstrated that it is only by adopting a systematic approach which places young people within capitalist relations of production and reproduction that young people's position as workers within capitalist labour market can be adequately theorised and explained. In drawing upon the analytical categories of political economy - notably capital, labour, and antagonistic class-based social relations - this paper has sought to challenge 'essentialist' sociological explanation of the material circumstances of young people, which are often no better than ad hoc tautology. An alternative explanation has been put forward which situates young people within broader shifts in UK political economy in order to demonstrate how young people have become a source of cheap, disciplined, and ultimately disposable labour for sectors of the economy which have grown in recent decades.

As this paper has demonstrated, these sectors are characterised by low levels of autonomy, low pay, and poor opportunities for career progression. These changes have been made worse by a flawed approach to skills in the UK - which has continued despite the expansion of higher education – and by a labour process which is characterised by the 'sweating' of workers. Greater Manchester has been used a case study throughout this paper to demonstrate the prevalence of these labour market changes and their outcomes for young workers; however, such conditions are evident across labour markets in the UK. It is therefore necessary to explore these conditions further, as the conditions affecting young people are likely to worsen if progressive interventions are not made in the areas of

macroeconomic policy, labour market regulation, and industrial strategy, with the aim of tackling the structural failings of capital accumulation in the UK and the deleterious outcomes it has for young people.

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Tables

Table 1. Employment Change in Greater Manchester (GM) 1984-2015								
Industry	Number of employees in major sectors of GM labour market, and as a percentage of total workforce							
	GM 1981-1985		**GM 1994-1995**		**GM 2004-2005**		**GM 2014-2015**	
manufacturing	346 000	33.2%	230 000	21.6%	162 000	14.0%	104 700	8.8%
construction	53 000	5.1%	78 000	7.3%	94 000	8.1%	50 400	4.2%
service sector	617 000	59.2%	738 000	69.4%	878 000	76.3%	1 028 500	85.9%
Source: NOMIS, Labour Force Survey, New Economy*; Peck and Emmerich (1992); author's own* calculations								

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