

Speech: Minister for Employment gives speech on 'Full Employment' report

Introduction

Ladies and gentlemen good morning.

A huge thank you to the Resolution Foundation, and to Lord Willetts in particular, for the invitation to speak at the launch of the report today.

This is a momentous week for Parliament and our country as a whole.

We stand at the crossroads of history.

And how Members of Parliament act, and vote, on Tuesday may well have a profound impact on our labour market.

Both in the shorter and longer term.

I will return to that point later, but first the findings of the report.

The overall message of this report is positive and encouraging.

And a re-affirmation for me that the economic policies David, I and our parliamentary colleagues supported from 2010 were the right ones.

As outlined by Stephen, the report concludes that not only are there more people in work today than ever before, but that it is those on low incomes, and those historically unengaged in the jobs market, who have benefitted most.

The report also notes that the net increase in employment is down to people taking on professional roles. Which is good news because those jobs attract higher pay.

And the regions which had the lowest employment rates a decade ago, have seen the greatest increase. Effectively catching up on historically slow jobs growth.

Any analyses of the last decade will of course be skewed by the financial crash in 2008.

We in government prefer to measure the jobs market from 2010, when we took on responsibility for the economy.

[political content]

Since 2010, the labour market has gone from strength to strength – with an average of 1,000 people a day moving into work. That's 3.4 million more people in work today than in 2010.

We politicians and think tankers love our statistics. For us they build an overall picture.

But what we must never forget is that behind every single extra job created, and vacancy filled, there is a human success story.

Of someone whose family income, self-esteem and life chances are all hugely improved by being in work.

And our reform of the welfare system has made a positive contribution, playing its part in helping people into work.

And last week Amber Rudd announced further reforms to Universal Credit to ensure that we provide additional support, especially for the most vulnerable.

Given some of the conclusions of today's report there are 3 areas in particular I want to focus on briefly.

First, the work we are doing to ensure that people do not just have a job, but that they have a good job.

Second, is on improving further participation of under-represented groups in the employment market.

And third, is about how we help people to progress in work and to earn more.

Good jobs

So first, let's look at the quality of employment.

Today's report focuses on atypical employment.

This looks at employment groups in a different way to the Office for National Statistics. Including part time and self-employed in the same bracket as contract or zero hours workers.

While the self-employed may welcome their categorisation as atypical – a label that emphasises their ability to break the mould and be innovative – part-time workers have been a longstanding part of our labour market. Indeed, rather typical.

That aside, I welcome the report's detailed analysis that looks at the growth of atypical work at different stages since 2008.

It shows the high growth in atypical work directly following the 2008 crash, but concludes that in the last 2 years the employment boom has been driven largely by full-time roles.

It is worth noting that according to the ONS, of the new jobs created since 2010 around 75% are full-time, permanent and in higher level occupations.

I want to see even more of these type of jobs being created.

The government responded positively to the findings of Matthew Taylor's review of modern working practices.

And through the government's Good Work plan, published in December last year, we are already recognising the need to find the right balance between employees and employers, when it comes to job flexibility and security.

As a part of this, we have brought forward new legislation to upgrade workers' rights.

Including a day-1 statement of rights for all workers, setting out leave entitlements and pay.

The rise in Artificial Intelligence and automation will continue to disrupt the jobs market.

Indeed, the impact of new technology changing the jobs market has been the one constant through the ages.

The good news is that every industrial revolution has resulted in more jobs being created.

But as some workers feel precarious in their positions, we need to provide certainty for their future, with an offer of building new skills and retraining.

And we will need to be dynamic in our ongoing response to the changing nature of work and the workplace.

Under-represented groups

The changing nature of the world of work leads me to the changing make-up of our workforce.

There are now 10 million workers over the age of 50.

We have seen record numbers of women in work.

Youth unemployment has almost halved since 2010.

Almost a million more disabled people have entered employment since 2013.

And the ethnic minority employment gap is at a record low.

Regardless of circumstance, people are able to access support tailored for their individual needs as they look for work.

It is that support which has delivered the current success in the labour market. And it is an enhanced personalised approach that will see us go further still.

We have older workers' champions in all our jobcentres, leading the way on finding the right opportunity for those later in life.

We have around 1.2 million potential returners to the work place in the UK – 91% of whom are women. Through specialist return-ship programmes we can support them back into work.

There are specialist disability advisers that work across our jobcentre network. Helping people improve their confidence. Offering financial support for specialist equipment to help them at work.

We have an intensive programme to support young people into employment or training. And we work with schools to assist 12 to 16 year olds who have been identified as most likely to be at risk of becoming NEETs.

As the report has highlighted there has been a strong rise in employment of those from ethnic minority backgrounds.

But if we want to accelerate this progress, we must look at the employment rates between individual ethnic minority groups – not treat them as one.

There is a wide range in the employment rate between different ethnic minority groups and significant disparity in employment rates between men and women.

That is why our national network of jobcentres are offering personalised support.

For example, in Yardley we have been working with women from the British Bangladeshi and Pakistani communities to build their confidence and understanding of what they have to offer.

And I have asked the department to roll out personalised mentoring programmes for young people from ethnic minority communities, in areas where the employment gap is largest.

In-work progression

The kind of tailored support I have referred to is fundamental to the welfare reforms we are making.

And I believe that support should not stop just because someone gets a job.

Supporting people to get their foot on the first rung of the ladder has always been the central focus of my department.

But I want us to go further.

To spend time supporting people to move up the ladder in their earnings and the quality of their job. Helping people to achieve their potential.

If we are going to do this, we are going to need to be world leaders.

Because there is very little evidence of good practice from around the world for us to follow.

And we have already made a start.

We recently completed a large-scale trial on in-work progression involving some of the lowest paid people in the country.

The trial tested the provision of varied levels of support and conditionality for current in-work claimants.

What we found is that after 52 weeks on the trial, participants who received frequent and moderate support from the jobcentre network earned more than those getting minimal support. This is only a start.

We have secured £8 million from the Treasury to develop a programme of research, proofs of concept and trials to develop and test our in-work services.

Some of the potential interventions we will consider exploring include the role of mentoring.

Looking at how we can support the development of the National Retraining Scheme in a partnership with our jobcentres.

Making sure our front-line staff have the skills for this new era of personalised job support.

And looking at what we can do with 'digital nudges'. Using the new online system to plant the seeds of progression in people's minds, and offer a practical route to help them get there.

And of course, we are looking at ways in which we can test more place-based approaches, with collaborations between jobcentres and other bodies, such as local authorities.

And we're keen to see how we can work with those outside of government, including employers.

Conclusion

In conclusion, I welcome some of the key findings of this report, as it highlights the successes in the labour market.

But I am not complacent.

There is more for us to do to drive up the quality of work.

To increase participation from under-represented groups in the labour market.

And to deliver a fundamental and positive shift in in-work progression.

My final point is on Brexit.

I want us to respect the result of the referendum.

But I also believe that a disorderly Brexit presents a real risk to the

health of the labour market.

It is a risk which, I hope, all Members of Parliament will consider seriously as they walk through the division lobbies tomorrow.

Thank you.