

# Institute for Public Policy research: State of the UK Labour Market report

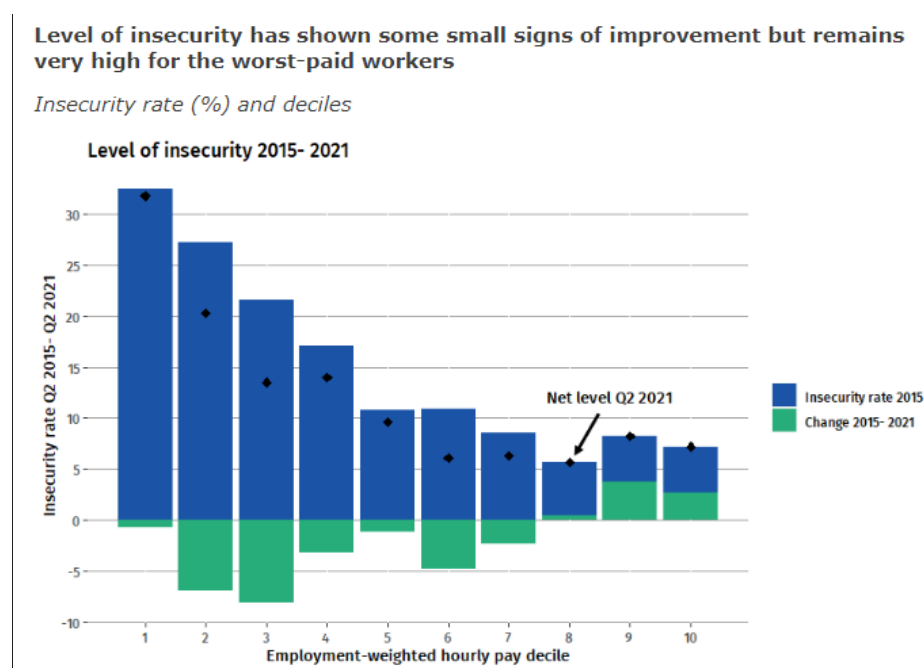
Finlay Collings | Economics Bsc

## Overview of the Data Fellowship

Working at the Institute for Public Policy Research (IPPR) I gained valuable understanding of research and public policy influencing. With guidance I was able to co-author a briefing paper on the labour market, Full employment, and good jobs for all. I conducted the research for the paper using ONS data sets, mainly the Labour Force Survey, and did the analysis on R-Studio. The publication of the paper received national media coverage. Following this I also adapted some of my analysis to contribute towards the Commission for Economic Justice report. Outside of this work, I was introduced to the framing economic ideas which gave me an insight beyond just the research but the communication of that research too.

## Data Analysis

Some of the key analysis was to describe how we are not as close to full employment as high-level aggregate indicators may suggest. We wanted to show how through underemployment and insecure work there is a large amount of disguised slack in the UK economy. For example, job insecurity too remains extremely high. Job insecurity can come in many forms but in all of them it means employers shifting risk onto the worker. In recent times, employers have been enabled in this by weak employee rights, low union membership, technology advancements and a weak social security system. But



high job insecurity it is also a reflection of a labour market not in full employment, as it depresses workers bargaining power. We find that 5.5 million workers across the UK are in insecure employment. This was concentrated in the lowest paid 30 per cent of the workforce. In the lowest pay decile, more than one in three workers is insecure (Figure 1). Moreover, amongst low earners, people from minority ethnic backgrounds were 13 percentage points more likely to be in insecure work.

Similar analysis was done to study underemployment too, making the point that a sudden withdrawal of furlough may worsen these indicators. Other analysis included employment share changes by decile, jobs lost/ created during the pandemic and an employment gap stacked bar chart.

## Findings

We found that there were areas of the UK labour market that still needed significant support. This would be needed in the form continued stimulus from the government, solving some of the skill shortages and protecting workers. Here are some examples of the recommendations:

- Trigger a skills-driven jobs shift to future-proof sectors. Next to streamlining the skills and career transition system, it should include a reformed kickstart scheme, specifically at those who are long-term unemployed and disadvantaged, and creating transitional, supportive jobs that can lead to permanent employment. This could prioritise transitional opportunities in green jobs, as the Net Zero Task Force has called for, alongside other priority industries, supporting a transition into longer-term, sustained employment.
- Boost labour standards. As an important step to avoid the return to a 'poor jobs' labour market, the government should finally strengthen employment conditions. It should urgently put forward its long-delayed Employment Bill which was expected to include an overhaul of our enforcement bodies, rights to request a predictable contract, improved redundancy protections for pregnant women, and reforms to protect working carers. As the IPPR Commission on Economic Justice has recommended, it should also include a new minimum wage set at 20 per cent higher than the standard rate, for hours that are not specified in a contract.

## Key Skills Learnt

The highlight of the internship has to be the publication of the report that I put together with my supervisor Carsten Jung. But I gained so much more from the internship too. I made some good friends and have a much better understanding of what it is I would like to go on and do after university now. From when I started the internship to now, I feel like I have developed so much on an academic level but also a personal one. I could not have imagined I would have been so involved in the work at IPPR. I feel like I have picked up loads of skills over the last two months and I have a confidence in my ability I did not have before.