

# Youth Training Scheme

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## Key Features of the Youth Training Scheme (YTS)

YTS was a training programme from the Manpower Services Commission. Initially a one-year work experience and training programme with 13 weeks of off-the-job training, in 1986 it was expanded to a two-year programme including 20 weeks of off-the-job training.

**Operation dates:** 1983 - 1990

**Target population:** 16-18-year-olds, especially unemployed school leavers.

**Purpose:** To provide a training option for school leavers in a context of rampant youth unemployment, to increase the productivity of firms by improving the labour skills of the workforce, and to increase the flexibility of the labour force for future economic development (Chapman & Tooze, 1987, p. 1). From a critical perspective, the scheme's ostensible purposes were secondary to political interests.

## Policy context

The late 1970s and early 1980s were characterised by high inflation and a sharp deterioration in labour market conditions. Youth unemployment in particular grew from lower than 10 percent prior to 1978 to 27 percent by 1984 (Dolton, 1994, p. 264) and apprenticeships were in decline. There was considerable concern that what was perceived as 'poor skills and attitudes', both within the British education system and economy at large, were the cause of the country's apparently lacklustre economic performance (Payne, 1999; Patel, 2026). Existing training programmes of the Industrial Training Boards were unpopular with employers, perceived as unsuitable for supporting effective training for small employers. New programmes from the Manpower Services Commission (MSC) included the variegated Youth Opportunity Programme (YOP, 1978-83), a six

-month work experience placement scheme. YOP was the destination for more than half of school leavers in 1980 (Maguire, 2022, pp. 5-6). Its quality and success were, however, doubted initially, 80 percent of trainees completing YOP found paid work but this collapsed to under a quarter, and lower in deprived areas (Simmons, 2019, p. 16); there were unequal opportunities for girls than boys; and high levels of 'substitution' where tax-payer funded work placements were being used by employers as a source of cheap labour, conservatively around 20 percent (Chapman & Tooze, 1987, pp. 45-46; Patel, 2026).

YTS was borne out of the New Training Initiative from 1981, which proposed to replace YOP with a more coordinated scheme integrating work experience and off-the-job training or further education. Within the tight parameters of the Conservative government's policy of reducing public expenditure, the scope of YTS expanded from 300,000 to 460,000 trainees a year. This scale was made possible because participants were classified as trainees rather than employees: they received a state-funded training allowance of £1,450 per annum, well below typical youth wages, and employers were relieved of the cost of trainee wages.<sup>1</sup> Employer participation was further encouraged through a £1950 per annum grant to take on 'three additional trainees for every two they would normally recruit', giving them a contribution towards training costs while also benefiting from the productive services of the extra participants (Chapman & Tooze, 1987, pp. 50-52). Funding was awarded directly by the Manpower Services Commission rather than via Local Authorities.<sup>2</sup> Participation for young people was purportedly voluntary but effectively coercive as refusal of a YTS place or premature leaving could lead to a loss or reduction in unemployment benefit (Ainley & Corney, 1990, pp. 62-63).<sup>3</sup> Amid severe youth unemployment in the early 1980s, YTS was intended to include two-thirds of 16–17-year-olds, and by 1988 it essentially did (Peck, 1990, p. 135).

In its original format in 1983, YTS trainees were placed with firms for on-the-job training for a year including three months (or twelve weeks) off-the-job training and education, subcontracted out to further education colleges or training centres and some workplaces. There were two streams: in the initially larger Mode A schemes primarily private sector employers acted as managing agents; Mode B was for unemployed young people who were predominantly placed in public or voluntary organisations, and the MSC acted as the agent (Chapman & Tooze, 1987, pp. 52-54). YTS was intended to cover 14 'Core Skills' in four areas, communication, numeracy, problem solving, practical skills, including information technology, community engagement, and the acquisition of both job specific and transferable skills, including 'social and life skills' (Parsons, 1990). It further defined and taught 103 outcomes. This was a novel framework informed by practices in the USA and Canada which focused on, in addition to initial competence in an occupation, identifying and teaching competencies that could be applied across multiple occupations (Payne, 1999, p. 6-7; Levy, 2012). 'Core skills' was primarily for use in design and validation (Hart & Howieson, 2008). The MSC required schemes to include an induction period and continual guidance, and the issue of a leaving certificate (Chapman & Tooze, 1987, pp. 53-55). However, YTS apparently featured little assessment or accreditation, though some providers on their own initiative joined YTS programmes to other recognised qualifications, such as City & Guilds' (Chambers et al., 1998, p. 31).

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<sup>1</sup> Some employers paid supplementary wages.

<sup>2</sup> This subsidy was later paid by Training and Enterprise Councils which succeeded the MSC (Levy, 2012).

<sup>3</sup> Initial attempts to make YTS attendance compulsory by the government triggered the 'largest school strike in Britain's history when a quarter of a million pupils protested' across the country (Ainley & Corney, 1990, p. 89).

Following its launch, YTS was in a 'continuous evolutionary process' which initially prioritised scale over quality: in major industries, existing programmes including the first year of an apprenticeship were folded into the scheme with minimal conditions, and broad occupational requirements were set aside in sectors such as construction (Chapman & Tooze, 1987, pp. 54-55). A 1984 MSC sample survey suggested 56 percent of YTS leavers entered jobs, but figures were highly contested. In 1985, 100,000 employers were participating (Peck, 1990, p. 136) but MSC-reported placement rates were below 50 percent and systemic issues in accurately tracking outcomes meant 123,000 first-year entrants were unaccounted for (Ainley & Corney, 1990, p. 78). In April 1986, YTS was expanded to a two-year programme for 16-year-olds, with the first year including general vocational preparation, before moving on to specific, work-related training in the second year with a slightly higher allowance for trainees. This increased the off-the-job training to 20 weeks, and was intended to lead to a vocational qualification (Chapman & Tooze, 1987, pp. 58-59) which never materialised due to the scheme's preparatory status and fragmentation. These changes emphasised unemployed youth and further reduced employers' financial contribution (Ainley & Corney, 1990, p. 87). By 1989, 2 million young people had entered YTS and 85 percent were reported to have gained employment or entered further education or training (City & Guilds, 2014, p. 33).

YTS was renamed and restructured as Youth Training in 1990. YTS had become perceived as an inefficient response to high unemployment, offering limited gains in job prospects and failing to align with employers' requirements. The reform deepened the move towards the output-funded and nationally standardised National Vocational Qualifications (NVQ) framework, introduced in 1986, which emphasised demonstrated workplace competence rather than time-served occupations. Youth Training soon became bound up with benefit conditionality, undermining its credibility, and by 1994 it had been superseded by Modern Apprenticeships, which centred on higher-level NVQs and offered a more occupationally grounded route with clearer progression and a stronger perceived connection to real employment (Dolton et al., 1994, pp. 263-264; Evans, 1992, p. 76; Jones, 1999, pp. 142-144; Merson, 1995, p. 305).

## Policy evaluation

YTS was marketed (by a Saatchi and Saatchi campaign costing over £1 million: Finn, 1986, p. 55) as preparing young people with personal transferable skills for more complicated workplaces and enabling them to seize job opportunities as the economy recovered (Levy, 2012). However, critics condemned it as an exploitative scheme that, by exempting trainees from statutory employment rights (Simmons, 2019, p. 17) and certain anti-discrimination and health and safety obligations, created hazardous conditions and eroded the foundations of collective wage bargaining (Finn, 1986, p. 56; Short, 1986, p. 45). Piloting was limited. The decision to move to a two-year programme was made in just three months between the announcement in the Budget in March 1985 and proposals in July, in the absence of any evaluation of the scheme's effectiveness (Chapman & Tooze, 1987, p. 60; Maguire, 2022). A cost-benefit analysis of YTS was never conducted (Skillbeck et al., 1994). Despite the much vaunted £1 billion investment in YTS, the actual cost was just £770 million, offset by £138 million of European Economic Community funding. It was reportedly cheaper than benefits otherwise payable to unemployed school leavers (Finn, 1986, p. 56). Estimates of deadweight (the extent to which public YTS funding displaced employers' own training expenditure) varied widely from 9 percent to 28 to 49 percent; and substitution ranged from 2 to 20 percent (Main, 1991, p. 371).

Employer engagement was variable: some engaged due to a sense of 'duty', but larger numbers used the scheme to subsidise selection and induction and were disinclined to contribute to the competitiveness of other firms (Roberts & Parsell, 1992, p. 65). High-tech manufacturers like Sony saw 'little benefit in taking on YTS trainees when it could employ young girls to do basic tasks on low wages' (Evans, 1992, p. 73). As a result, YTS was concentrated in sectors with limited perceived relevance to British international competitiveness, resulting in 'large numbers of trainees in retailing- and clerical-related skills' areas with little experience in workplaces of value to their longer-term careers (Chapman & Tooze, 1987, pp. 65, 77-68).

One study from Scotland in 1983/4 found YTS participation increased the probability of employment by 14-19 percentage points (Main, 1991, p. 371). The exposure to college environments through YTS off-the-job training meant some trainees could gain 'qualifications with significant labour-market value' (Simmons, 2020, p. 6). Predominantly however, YTS is remembered as concentrating on low-skill employment and work placements in routine employment. The scope of the scheme was open to the interpretation of both the trainee and trainer (Parsons, 1990) which made its quality at best variable. Benn and Fairley (1986) described MSC training as providing 'largely meaningless 'skills' which they could learn in a day [...] certification is often bogus, YTS instructors even on occasion falsifying reports' of trainee experiences (p. 17). Trainees with the best job prospects were in administrative or clerical fields or associated with large employers like 'Debenhams, Marks & Spencer, or British Rail' while inevitably sectors with high unemployment had worse job prospects (Finn, 1986, p. 67) This spawned stratified system of YTS, ranging from low-quality 'warehousing' in areas of high unemployment, to its use to selectively to progress a minority of trainees onto 'good jobs' and apprenticeships (Ainley & Corney, 1990, p. 64; Bewick, 2025, pp. 106-107; Roberts & Parsell, 1992). Early critiques highlighted structural inequalities within YTS that disproportionately disadvantages young black people and young women from lower socioeconomic backgrounds and regions (Ainley & Corney, 1990, p. 65; Furlong, 1993; Peck, 1990; Wrench, 1986). Later longitudinal evidence suggests that participation frequently failed to offset these disadvantages and, in many cases, entrenched long-term scarring in employment trajectories, notwithstanding limited short-term gains for some participants (Dolton et al., 1994; Goodwin et al., 2020, p. 40). The safety record of YTS was 'atrocious' with nine fatalities and 315 major accidents in 1986/7 alone (Ainley & Corney, 1990, p. 80). Ultimately as one recent summary put it, YTS 'failed to operate as a high-quality training programme' with low status, variable provision quality, dubious vocational utility, high deadweight in some sectors, and low completion and success rates (Finn, 1986; Maguire, 2022, pp. 6-7; Raffe, 1987).

Competency-based teaching and assessment championed through YTS is implicated in the broader role of the MSC in narrowing the purposes of education (Patel, 2024, 2026). Prescribing generic outcomes with undue rigidity and directives that forbade engagement with social and political questions curtailed trainees' understanding of the broader systems within which their skills were deployed. By alienating trainees from such understandings, it diminished the scope for fostering participatory and critical citizenship whereby they might question their social and political conditions and seek improvements. These practices served to produce a compliant and adaptable cohort of low-cost labour for employers, functioning as a deliberate strategy to depress wage bargaining and mitigate perceived inflationary risks (Ainley & Corney, 1990; Benn & Fairley, 1986).

## Lessons learnt

YTS was 'seriously flawed from its conception' (Ainley & Corney, 1990, p. 67). It had no likelihood of addressing the wider socioeconomic determinants of unemployment (Raffe, 1987). Politically, YTS had two main functions. First, YTS served 'propaganda purposes' (Evans, 1992, p. 64) as a mechanism to get young people 'off the dole queues and unemployment statistics' from official statistics (Evans, 1992, p. 29; Patel, 2026), 'warehoused' in training activities with few progression prospects or qualifications (Keep, 1986). While the proportion of young people in work decreased 20 percentage points between 1977 and 1990, youth unemployment dropped to 12 percent through growing participation in training schemes (Dolton, 1994, p. 264). Critics of the scheme argued that YTS primarily afforded employers access to a low-cost supply of labour, as opposed to being a positive route to meaningful employment for young people (Jones, 1999, p. 79; Peck, 1990, p. 135; Wrench, 1986).

Second, YTS was part of a programme of measures introduced under the Thatcher government aimed to exert downward pressure on real wages, particularly for young people, seen as a driver of inflation, while ensuring policies worked with market forces rather than against them (Ainley & Corney, 1990, p. 125; Evans, 1992, p. 78). This conflicted with efforts to expand skilled labour and address unemployment. Demand-side weaknesses and reliance on market mechanisms at a time of 'substantial labour surpluses' risked wasting training investment 'in the absence of some policy to create more employment' (Chapman & Tooze, 1987, pp. 76-77, 79). In other words, as Peck (1990) put it, 'Unemployment is not an 'individual' problem requiring microeconomic solutions, it is a national problem requiring macroeconomic solutions' (p. 141).

The government's Youth Guarantee of work placements for those on long-term benefits to address rising NEET levels today in this light is welcome but should learn from the limited success of YTS and other recent programmes like Kickstart (2020-22, see Simmons, 2022). Pragmatically, the experience of YTS indicates employers struggle to appreciate and prioritise general training, and the choice of the Youth Guarantee to focus on specific sectors is warranted. Greater understanding of progression, using for example Skills England's Occupational Maps, to demonstrate how work placements could lead to apprenticeships or other training opportunities, would further help with buy-in for trainees and employers. Any inclusion of general skills development would be welcome but should demonstrate value to both employers and trainees and should be accompanied by holistic support, including for mental health, and an appreciation of the deeper causes of youth unemployment. The experience of YTS indicates that without effective interventions into job creation and employer behaviours, training alone can only influence young people's long-term outcomes (and therefore the condition of the nation) so far.

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