UK Government Report Uses Youth Unemployment to Justify Welfare Cuts



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A UK government-commissioned “NEET” report uses the promise of tackling youth unemployment to justify welfare cuts.

Details. A report commissioned by the UK's Department for Work and Pensions outlines measures to tackle what it describes as Britain's “NEET crisis”: the number of young people not in education, employment or training.

► One measure is the creation of a Youth Opportunity Service in every area of England to replace fragmented support services with a single system. It also calls for a statutory Opportunity Guarantee, giving every young person an entitlement to a route into employment, education or training.

► To encourage employers to recruit young people, the report recommends financial incentives, including grants for hiring those who have been NEET for six months. It recommends expanding apprenticeships and work experience opportunities, as well as introducing tools in schools to identify pupils at risk of becoming NEET.

► The report proposes replacing benefits for under-25s with a new “Youth Allowance”, replacing disability benefits with an Additional Cost Allowance and abolishing extra health-related welfare payments for this age group. It acknowledges that some young people with disabilities or health conditions would receive less financial support.

Context. In 2026, 981,000 people aged 16–24 in the UK were NEET (13% of this age group): 393,000 were unemployed and 588,000 economically inactive. The rate has risen since 2021. Last year, the government described rising NEET levels as a “crisis of opportunity” and announced an investigation led by former government minister Alan Milburn.

► Successive UK governments have pursued welfare cuts to reduce public spending and maintain financial-market confidence. Between 2013 and 2015, the Conservative government capped welfare payments, restricted housing support and froze most working-age benefits. In 2025, Starmer’s government proposed tightening disability benefit eligibility and reducing extra welfare payments for people with health conditions, but abandoned the cuts following public backlash.

Important to Know. The supposed NEET crisis is neither new nor at its worst. The rate peaked at 17% in 2011, compared with 13% in 2026. Claims that welfare spending is placing an ever-greater burden on public finances are also misleading. Social protection has accounted for roughly 30–35% of government expenditure for decades, standing at 33% in 2023.

► The UK government is using youth unemployment as a pretext to continue decades of welfare cuts, discipline labour and redirect public spending towards militarisation. The Labour government has presented military expansion as a source of jobs for young people. In September 2026, it announced plans to create 40,000 "defence"-sector opportunities annually by 2030, rising to 50,000 by 2035. The British Army, Royal Navy and RAF are already the country's three largest apprenticeship employers.

► Under capitalism, unemployment cannot be eliminated because capitalists continually replace labour with new technologies, such as AI, to reduce costs and

compete. This reproduces what Marx called the industrial reserve army, unemployed workers whose competition for jobs puts downward pressure on wages and weakens workers' ability to organise and demand better conditions.

► By cutting welfare support and subsidising youth recruitment, the government will drive more young people into low-paid employment, expanding the supply of cheap labour, intensifying competition for jobs and putting further downward pressure on all wages.

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