"Those too young to vote at the last election will deal with the consequences of the spending cuts..."

BACK TO THE FUTURE

Daniel Leighton



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As always, all errors or emissions, remain my own.

Dan Leighton January 2011

Foreword

Being young has never been easy, but for anyone under 25 in Britain today life is a real challenge. This generation will have to deal with massive national debt, higher taxes, an increasingly inaccessible property ladder, more expensive education, lower social mobility, a rise in the retirement age and the uncertainty created by climate change.

On top of this unpalatable legacy, we tend as a society to demonstrate a widespread negative attitude towards young people. All too often, we see or hear stories in the press which portray young people as poorly educated, work-shy and uncaring. However, as someone who heads a business which employs over 120,000 people, a quarter of whom are under the age of 25, I know this just isn't true. We must start talking up the young and start seeing them as the solution, rather than the problem.

A quick glance at any social media website demonstrates that our young people are not short of opinions, and recent youth action in the face of a near tripling of student tuition fees and cuts to college grants suggests a 'jilted generation' in the making. It's time to tackle this burgeoning intergenerational unfairness; the needs of the next generation must take a front seat.

Earlier this year, The Co-operative launched its programme Inspiring Young People with the specific aim of helping to bring about a cultural shift in the way that young people are viewed and treated in this country. We have adopted a multi-faceted approach because we understand there is no one single answer to the many issues facing young people.

As the UK's largest democratic organisation, we understand just how important it is that people have a stake in the decisions which have a direct impact on their lives. For over a century, The Co-operative, which has more than six million members, has operated a democratic structure that is fully open to people aged 16 and above. That's why we are calling for the voting age to be lowered to people aged 16, which we believe would boost democratic and parliamentary renewal in the UK and energise young people to better engage in society.

Sixteen-year-olds can already leave home, pay taxes, get married and join the armed forces but are unable to hold those taking decisions on their behalf to account at the ballot box. Given the opportunity, young people are as capable as any other demographic group of considering important societal issues and putting forward sensible solutions. It is vital that we take note of what this generation is saying and recognise its legitimacy. That is why The Co-operative collaborated with Demos on the Young People's Convention on the Deficit and on this report, giving young people a platform to be heard in the debate. That is why we will continue to speak out on their behalf.

If the coalition government is serious about electoral reform and democracy, it must involve young people in the important decisions that affect them. Only by doing this can it prevent an intergenerational divide and ensure that we all become citizens of a bigger and better society, built in part on the important contribution that young people can make.

Peter Marks Group Chief Executive The Co-operative Group January 2011

1 Needed: a transfer of political capital

In his first speech as prime minister, David Cameron stated in no uncertain terms that tackling the UK's mounting deficit in public finances was the coalition government's number one priority.¹ In the weeks and months that followed, the government sought to prepare the country for the difficult choices they would have to make if the stringent target of reducing the deficit by 2015 was to be met. The Prime Minister was clear that:

How we deal with these things will affect our economy, our society – indeed our whole way of life. The decisions we make will affect every single person in our country. And the effects of those decisions will stay with us for years, perhaps decades to come.²

Although £6 billion worth of cuts were announced in the emergency budget that followed the election in June, details of the bulk of an unprecedented £60 billion worth of cuts were to be announced in the October comprehensive spending review. The coalition sought to reassure the public with two vital messages. The first was that 'we are all in this together': everyone will be affected and those with the largest shoulders will bear the biggest burdens. The second was that, beyond the short-term task of stimulating economic recovery, the ultimate rationale for cutting spending hard and fast was one of fairness between generations. As Deputy Prime Minister Nick Clegg put it the week before the spending review:

Tackling the deficit means wiping the slate clean for the next generation. It means ensuring that our children do not pay the price for this generation's mistakes.³

In a climate of growing anxiety, the government was understandably keen to foster a sense of consultation and dialogue with voters. High profile attempts to engage the public before the comprehensive spending review included a 'Spending Challenge' on the Treasury website and a three-day-long citizens' jury,⁴ which the chief secretary addressed and *Newsnight* gave dedicated coverage. Yet similar attempts to engage actively with the views of the young people in whose name the government purported to be acting were notable by their absence. A process billed as fundamentally changing the nature of British society, ostensibly being undertaken to ensure younger generations do not bear the debt burden, seemed to have no space for young people to articulate their views on what should be prioritised.

The other deficit: young people's political capital

Demos felt this situation was symptomatic of the fact that young people lack sufficient political capital relative to the challenges they face today and in the future. In *An Anatomy of Youth*, published in summer 2010, Demos researchers Celia Hannon and Charlie Tims concluded that today's generation of young people looks set to inherit a set of 'chronic social, economic and political challenges that their national governments will be unable to solve without their energetic engagement'. This situation necessitated a 'massive transfer of political capital' to the next generation.⁵

To address this deficit in political capital, Demos and The Co-operative held the Young People's Convention on the Deficit on 16 October with 100 16–18-year-olds, the weekend before the spending review was published. This was the first time young people not eligible to vote in the 2010 general election were invited to formally express their views on cuts and a political agenda that would impact directly on them and their life chances. The project, which was supplemented with wider polling of 1,000 18–21-year-olds, was jointly conceived with The Co-operative as part of their wider agenda of increasing the influence and political capability of young people. Detailed findings from the convention and polling are set out in chapter 3, with wider reflections contained in chapter 4. Before presenting the findings from the convention and polling, chapter 2 gives an account of the longer-term trends underpinning key challenges young people face in their transition to adulthood.

The challenges young people face today have been intensified rather than created by the economic downturn that started in 2008. Those born since the 1980s have been subject to a host of socio-economic pressures, which previous generations did not have to contend with, from much fiercer competition for jobs in an increasingly globalised economy, to the ever rising costs of university education and home ownership, not to mention tackling climate change and ultimately having to support an increasingly aging population.

These shifts have led a number of commentators to question whether the trend of upward social mobility experienced by the postwar baby boomer generation has ground to a halt or may even be going into reverse. As the Conservative MP David Willetts puts it:

Try asking a group of people who are middle aged or older whether they have enjoyed greater opportunities and prosperity than their parents. Almost everyone will say they have. But then ask them whether life will similarly be better for their children. They are not so sure. It is what deep down most parents are most anxious about – the life chances of their children.⁶

The fundamental building blocks that enabled previous generations to make the transition into adulthood are being placed just out of reach of today's young people. The question of why this has occurred ultimately leads back to how societies factor the needs of future generations into their decision-making processes. As Howker and Malik persuasively suggest in *Jilted Generation*, 'the mechanisms by which our society considers the past and the future have become dysfunctional'.⁷

Back to the future

Disentangling the web of economic, political and cultural factors that led to the privileging of the 'eternal present' over the future in both our polity and society is no easy task. The balance sheet for many of these trends – be they greater individualism, technological change or consumer choice – is not entirely negative. Yet reversing the chronic short-termism that has undoubtedly characterised recent decades will ultimately require a more thorough engagement with the perspectives of those who will have to live with the future consequences of decisions made today.

The participants at the convention saw themselves as being potentially the worst affected by spending cuts, not least because they perceived politicians to take less notice of the views of young people than of those of older generations. They were particularly concerned about cuts to further and higher education. It was particularly notable that apprehensions about the abolition of the education maintenance allowance (EMA) figured nearly as prominently as those concerning increases in tuition fees to pay for possible shortfalls in university funding. Yet the most striking result was the way in which they chose to prioritise welfare spending on older people over spending on working age adults and, albeit to a lesser extent, spending on children as well.

Perhaps the most troubling finding from the research concerns the gap between young people's generally positive outlooks on the future and the less than sunny reality they may face in five or ten years' time. If the considerable economic and social challenges of tomorrow are to be overcome, far greater weight must be given to the attitudes, concerns and values of young people today. For this to happen, young people need to be given the political capital to break into the vast set of political decisions currently reserved for adults: taxation, public spending, housing and jobs among them. In other words, precisely the type of decisions that lay at the heart of the spending review itself.

2 Generation crunch in context

Mervyn King, the governor of the Bank of England, has predicted the UK is unlikely to see a repeat of the 'NICE' decade, NICE being an acronym for the Non-Inflationary Consistent Expansion, which underpinned the optimism of the boom years.⁸ The era in which each generation starts to build an independent life shapes both their own life course and their perspective on society. Today's teenagers may have been born in the NICE decade but their transition to adulthood will take place in a context where the conventional wisdom about economic growth and social progress is being challenged.

This chapter considers some of the current challenges, and the long-term trends underlying them, that today's young people face in their transition to adulthood. In the wake of the downturn, commentators have seized on the narrative of the 'lost generation' squeezed out of the labour market. As research from the economist David Blanchflower has shown, young people who experience early spells of unemployment will encounter a long-term scarring effect, particularly because they will be paid lower wages over the course of their career, and poor mental health.⁹ While the downturn undoubtedly has had a negative impact on the labour market, young people's problems in this and other areas are underpinned by a set of persistent inequalities that predate the credit crunch by decades rather than years.

Long before the credit crunch put an end to the NICE decade, young people born since the late 1970s have had to contend with a very different world from that in which their parents and grandparents grew up. The latter came of age in an era where governments were committed to full and secure employment, higher education was free (albeit more limited in availability), those on average incomes could readily afford to buy their own homes, and generous pension schemes ensured, in parts of the private sector at least, that people would be looked after in retirement. Since the 1980s governments have prioritised low inflation over unemployment; both high and low end jobs have become subject to fierce global economic competition, resulting in a much more precarious labour market; housing prices have rocketed in relation to salaries; and higher education, which is no longer free and is the source of rising levels of debt for people before they enter the labour market, has increasingly become a necessity in gaining entry to quality jobs.

Howker and Malik are the latest (and youngest) contributors to a burgeoning new literature on intergenerational inequality, which includes the Conservative MP David Willetts and the *Guardian* commentator Francis Beckett. The titles of their various books pull no punches:

- The Jilted Generation: How Britain has bankrupted its youth¹⁰
- The Pinch: How the baby boomers took their children's future and why they should give it back¹¹
- F Beckett, What Did the Baby Boomers Ever Do For Us?: Why the children of the sixties lived the dream and failed the future¹²

All marshal considerable evidence that the challenges young people face in their transition to adulthood are underpinned by generational inequalities in assets, salaries and access to quality long-term employment. David Willetts has charged baby boomers with being 'guilty of a monumental failure to protect the interests of future generations'.¹³ It is a moot point as to whether the baby boomers, painted as a collective bogeyman, are to 'blame' for these inequalities. Yet it is undeniable that the resources, opportunities and benign economic environment that enabled them to make their comparatively smooth transitions to adult independence do not exist for today's young people.

Education and social mobility

When tuition fees were first introduced to cope with expansion of numbers into higher education, the Blair government

published a study predicting graduates would earn £400,000 more over the course of their lifetime than non-graduates.¹⁴ New Labour's target of having 50 per cent of young people attend university was emblematic of the dividends it was expected to reap for economic competitiveness and in realising individual aspirations. If for baby boomers higher education was the exception, for today's young people it is increasingly becoming the norm.

Today there are currently seven times as many students enrolled in higher education in the UK as there were in the 1960s. In 2009 record numbers of young people applied to university, totalling some 660,000 (a rise of almost 12 per cent since 2005). In the context of a funding squeeze, demand for places has recently outstripped supply: in 2010, some 158,000 people were turned away from courses, an increase in rejections of almost 26,000.

Yet recent research with 'Class of 2010' students found a growing gap between their 'short-term realism and long-term idealism'.15 Half of those surveyed said their expectations of finding a job after university have decreased significantly from when they started at university, 33 per cent say expectations have stayed the same and only 13 per cent said that their expectations have risen. These are generally perceived to be short-term difficulties and they remain optimistic about their long-term future careers, family lives and social responsibilities. However, it is becoming evident that a growing skills gap is emerging between employers prioritising a positive attitude and 'employability' in their graduate level employees over and above a degree subject or results. Indeed only one-third of students surveyed in 2004 believed that university had equipped them with the correct commercial skills and experience to allow them to be competitive on the labour market.

As Howker and Malik point out, the initial claims about the future income premium university graduates can expect have not held up over time. The latest research indicates that the real advantage in earnings over a lifetime is worth less than £140,000 on average. Notably, the discrepancy in the value of different degree subjects indicates that a male graduate in maths or computing will gain over £220,000 more in life-time earnings than someone who has not gone to university while a graduate in English or history of art departments is likely to see a return on their investment of only £25,000.

These findings are thrown into even sharper relief by the fact that those graduating in 2010 are expected to owe an average of £17,900 in debts to pay for fees and living costs, up from £11,600 in 2008 as a result of the introduction of top-up fees after the recommendations of the report of the national committee of inquiry into higher education in 1997.¹⁶ Currently, research shows that the poorest students have the greatest amount of debt and these were unsurprisingly the ones with the greatest levels of anxiety about paying it back. Under the government's new plans to lift the cap on tuition fees to between £6,000 and £9,000, the average student debt is expected to be at least double the current levels.¹⁷ According to the Institute for Fiscal Studies, the level of debt for university leavers under the new system will be between £35,000 and £5,000, taking in fees and living costs.¹⁸

However, it is important to note that under the coalition's plans, more students from lower-income households will receive increased support than under the current system. Undergraduates from the most deprived backgrounds will be eligible for more generous grants and a £150 million 'national scholarship' scheme will allow many students to receive at least a year's free tuition.

Even before the changes announced in the Browne review on higher education,¹⁹ young people were becoming caught in a double bind. Not all or even the majority of degrees facilitated entry into high paying jobs, but increasing numbers of employers expect young people to have an undergraduate or higher degree for entry level jobs.

Structural unemployment

While all recessions tend to hit newcomers to the labour market hardest, the figures for current levels of youth unemployment are particularly striking. Since 2005, the numbers of young people classed as unemployed have risen from 5.8 per cent to 18 per cent.²⁰ Explanations of the disproportional impact of the recession on young people in particular have focused on a lack of graduate positions. However, the downward trends in youth unemployment were gaining ground long before the recession and have been far worse for those not attending university: just before the recession one-third of young people aged between 16 and 17 were classified as unemployed.²¹

The causes of youth unemployment are of a long-term structural rather than cyclical nature. Indeed, 60 per cent of all those unemployed in Britain were born after 1980, a total of 1.5 million people.²² The rate of unemployment for young people aged 16–17 is the highest at around 35.1 per cent, whereas the unemployment rate for the 18–24 age group is nearly 20 per cent. In comparison with the rate of unemployment among 50–65-year-olds these results are staggering: only 5.1 per cent in that age group are unemployed, with the rate of unemployment of women in this age bracket actually 2 per cent less than previously in the period directly following the recession.²³ Figures for levels of unemployment during the last recession in the 1990s show a much more even demographic spread, with 20 per cent of 16–17-year-olds unemployed compared with 9.6 per cent of people aged over 50.²⁴

Labour market insecurity and inequality

A further challenge faced by young people today is the nature of stop gap experience intended to aid the transition from school to work. Whereas traditional government-subsidised apprenticeships have decreased from 250,000 in the 1960s to around 60,000 today, they are yet to be replaced with a significant alternative form of paid work experience.²⁵ Internships are increasingly becoming an unofficial mandate for finding paid employment. But coupled with the number of unpaid positions, lack of legal status and paid alternatives, these positions serve only to further exacerbate the instability felt by young people struggling to establish themselves on the labour market, whether they are graduates or not.

When young people do find employment they are likely to be far less well paid in relation to older people today and in comparison with young people in the past. In 1974, the average male in the age group 50–59 earned about 4 per cent more than a male aged 25–29, but by 2008 this gap in earnings between the two age groups had risen to 35 per cent.²⁶ According to the National Equality Panel, the median wage of the youngest teenage employees is in the bottom 8 per cent of the overall distribution and the median wage for those in their early 20s is still in the bottom 26–28 per cent.²⁷ These statistics suggest that the rise in inequality in Britain is not just regional or classdependent but also centres on a growing generation gap in economic earning power.

Moreover, the nature of employment itself is becoming increasingly temporary and unstable with job tenure falling 20 per cent since 1975 and the proportion of part-time jobs in the UK rising 5 per cent in the last two decades.²⁸ Temporary positions are characterised by a lack of quantifiable on-the-job training, employment benefits or job security coupled with overall lower earnings.

Housing

The struggle to purchase or access quality housing has become commonplace for young people today. The average house prices for first-time buyers has risen 204 per cent since 1995 while average incomes have risen only 92 per cent over the same period.²⁹ In 1990, 8 per cent of homeowners were under the age of 25 and 43 per cent were aged 25–34. Today only 2 per cent of homeowners in the UK are younger than 25 and 27 per cent are aged 25–34.³⁰ The proportion of young people with mortgages fell from around 62 per cent in 1990 to 42 per cent in 2009. In contrast, borrowers in the age group 45–54 have increased, serving to widen the inequality gap between young people's assets and their ability to achieve financial independence compared with their parents.

Demos research on recent graduates showed that in 1985 34 per cent of graduates under 25 were already homeowners, but in 2005 only 19 per cent of graduates were homeowners.³¹ While the recent recession in 2008–2009 led to falling house prices and lower interest rates, the credit crunch negated the positive effects these may have had on first-time buyers. The post-crash average deposit for first-time buyers has now reached £56,000, which is almost double the average wage and over three times as much as the average deposit in 2007.³² Support from wealthy parents has become increasingly necessary for first time buyers. In 2005, 38 per cent of first time buyers received financial support from relatives. By the end of 2008 more than twice as many – 84 per cent – first-time buyers received this support, by far the highest proportion on record.³³

Those without wealthy parents live in rented accommodation or with their parents far longer than previous generations did. Today 52 per cent of people renting from private landlords are young, just 9 per cent are aged over 65 and 17 per cent are aged between 45 and 64. As Howker and Malik note, there are currently 1.25 million mainly young people who are trapped in the paradox of being 'too rich to get council housing and too poor to afford a mortgage in the cheapest houses in their area'.³⁴

Representation in the media and public policy

Demos' analysis of media coverage of young people highlights the way many of these trends are caricatured or misrepresented. Hannon and Tims found that young people were broadly characterised by the press as being:

- hedonists (indifferent to the risks of unprotected sex, drugs and spending money)
- violent (more aggressive towards each other and the rest of society)
- independent (leading lives which are increasingly disconnected from the rest of society) or
- lacking character (have poor moral fibre)³⁵

At the same time young people are presented with a confusing and often paradoxical image of themselves as both

'the future and the destabilising force that could undermine that hoped-for future'. $^{\rm 36}$

The images of apathy, laziness and violence which have evolved around the term 'youth' propagate the sense of wellworn intergenerational 'otherness'. Of course negative media representation of young people is nothing new. Yet as Hannon and Tims note, such narratives inevitably find their way into policy, playing a part in distorting the relationship between political culture and young people.

This 'intergenerational otherness' was a cause for concern within the Conservative party while in opposition. David Willetts, in a speech at Demos, pointed to low levels of confidence in dealing with and approaching young people in Britain as emblematic of social breakdown in the UK. David Cameron, also speaking at Demos in the run up to the 2010 general election, has claimed that young people are increasingly treated as 'consumers' rather than as children and that they have been treated immorally and unfairly. Alongside his apocryphal suggestion that 'hoodies' simply needed hugs, Cameron has criticised business for 'sexualising' children and paying scant regard to the uniqueness of childhood.³⁷

The big society agenda – with its emphasis on collective responses to social and civic challenges – does hold out hope for those concerned with intergenerational justice and relationships. There is an explicit desire, weaved through much of the policy and rhetoric of the big society, to reknit the social fabric that some see as having been eroded and to reconnect people and communities to make them more resilient and improve understanding between people with differing identities – be they religious, ethnic or age. The new national citizen service being established by the coalition government, aimed at 16–18-yearolds, is emblematic of a desire to provide all young people with early experiences of community action, voluntary activity and social mixing across ethnic and class boundaries.

Political engagement

Long-term attitudinal data indicate that young people have always tended to be the less interested than other age groups in the activities of governments and Westminster. But this disinterest is now greater than at any other point in history. Only 24 per cent of 16-24-year-olds are likely to have engaged in 'civic participation' as defined by voting, writing to an MP or attending a demonstration or protest – a lower proportion than any other age group.³⁸

Younger age groups are much less likely to see voting as a civic duty than older age groups: 56 per cent of young people view it in this way, compared with 73 per cent of 35–44-year-olds and 92 per cent of those aged 65 or over. At best this is a rational reaction to the belief that governments do not possess enough power to 'make change happen', at worst it points to a profound lack of faith in politicians to work for the interests of society rather than their own.

However, traditional measures of engagement may be unkind to younger age groups. The *Citizenship Survey* reveals that in 2008/9 62 per cent of 16–24 year-olds reported that they volunteered informally, compared with just 38 per cent who volunteered formally.³⁹ One study exploring charity and giving found that young people are engaged in a variety of activities that come under a wide definition of 'charity', from giving goods to charity shops to buying the *Big Issue*, purchasing Fairtrade goods, recycling, campaigning and taking part in other charity events. It argues that narrow measurements of giving and participating rarely include the type of activities young people take part in.⁴⁰

Although young people's attitudes reflect scepticism about the reach of government and competence of politicians, there is still a widespread belief that the country can be changed. Research carried out by V found that 10 per cent think that only politicians are best able to change the country, 36 per cent believe that only people can and 41 per cent believe it takes both.⁴¹ This 'shared version' of change is reflected in young people's attitudes to other ways of making a difference. Research from the Nestlé Trust investigating young people's perception of what it means 'to be a good citizen' showed that protecting the environment and obeying laws are considered more important than voting. More than two-thirds (70 per cent) of students say that the ethical record of their future employer is a crucial factor when they decide who they want to work for. Two-thirds want to achieve 'something of value to society through their work'.⁴²

3 Key findings from the convention

This budget isn't big enough for the both of us! text message from convention participant

The Young People's Convention on the Deficit took place on Saturday 16 October 2010, the weekend before the spending review was published.

The event brought together 100 young people aged 16–18 from across London and was supplemented with a YouGov poll of 1,019 18–21-year-olds. Participants were selected through a mix of professional recruitment and networks of young people involved with the British Youth Council and youth engagement charity Envision. This ensured they came from a wide range of backgrounds and had different levels of engagement with political and community activity.

The convention agenda was based on the following issues:

- the causes of the growth in the public deficit and possible consequences of spending cuts on different groups within society
- the relative priority assigned to different areas of government spending
- · the balance of tax rises and spending reductions to cut the deficit
- how savings or costs could be met within two significant areas of government spending – higher education and welfare

After presentations and round table discussions respondents replied to key questions through a series of plenary votes on electronic keypads. Each round table consisted of around ten people, with a mix of ages, genders, career orientations and levels of interest in public affairs. Throughout the day participants were able to text suggestions and views via their handsets. The event also explored participants' awareness of the deficit, their hopes and concerns about their futures and, implicitly, how they balanced their own interests with those of other generations. Finally, as the underlying purpose of the research was part of a wider attempt to shift political capital to the younger generation, we sought to explore the extent to which participants thought young people should be involved in making complex decisions on public policy.

This chapter analyses the results and key themes that emerged at the event, and compares them with the wider polling of 18–21-year-olds.

Aspirations and anxieties

At the start of the convention participants were asked to vote on two future orientated questions:

- whether they believed they would be better or worse off than their parents
- \cdot how they rated their job prospects in five years' time

On both counts, participants at the convention were perhaps more optimistic than the trends about the future outlook for young people discussed in the previous chapter suggest they should be: 42 per cent thought their job prospects in five years' time were 'good' or 'great' (figure 1) and 43 per cent thought they would end up better off than their parents.

The 18–21-year-olds we polled expressed an even stronger sense of optimism. Nearly half felt they would be better off than their parents, whereas just over a quarter thought they would be 'about the same' and less than a quarter that they would be 'worse off'. These findings are consistent with those of recent Demos research into the attitudes of students graduating in 2010. This showed that despite their short-term 'anxiety and restlessness' as they make the transition from student life to working life, students remain optimistic about their long-term future careers, family lives and social responsibilities.⁴³ Figure 1 How do you rate your job prospects in five years' time?

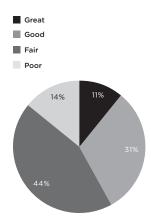
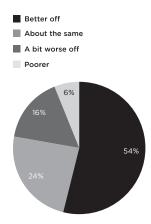


Figure 2 Do you think you will be as well off as your parents?



Contrary to the view that young people today are a lost generation, the participants at the convention were not despairing about their future; they were enthusiastic and hopeful that they will be able to realise their aspirations. As with

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graduates profiled in earlier Demos research, the young people at the convention are, understandably, modelling their futures on their parents' trajectory. However, the gaps between what young people aspire to and what they are likely to achieve, given deepseated trends in employment and housing, could be a source of considerable tension as they struggle to adulthood.

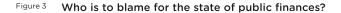
It is important to note that these future oriented questions were posed to participants at the very beginning of the convention. The concerns that emerged throughout the course of the day about the impact of the spending review on young people presented a series of qualifications and caveats to the generally positive views outlined above. Participants thought politicians considered the needs of their age group to be a very low priority so they would suffer more than other age groups from spending cuts. Recurrent anxieties about the rising costs of university and cuts to higher education brought to the fore the link between the crisis in public finances and participants' hopes for the future.

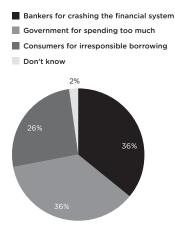
Causes and consequences

Participants generally had a very high level of knowledge about the budget deficit and the implications it has for the economy. The vast majority of them demonstrated awareness of the severity of the situation, though only a few knew specific details of the facts and figures being discussed. A small minority had no previous knowledge of the deficit and claimed they rarely, if ever, thought much about the effects of government spending on them in general.

When asked who was to blame for the deficit participants had various responses. One-third attributed responsibility equally to the bankers and one-third to the government, but just over a quarter of participants thought that the public themselves were to blame for irresponsible borrowing (figure 3).

This suggests that young people do not predominantly believe the explanation for the budget deficit given by either the coalition government (profligate public spending by the Labour government) or the Labour party (the global credit crunch). In





other words neither party 'owns' the narrative of the crisis in the minds of young people.

Participants thought there was an imbalance between those who were to blame for the deficit and those who would bear the cost, and that this was unfair. They were concerned that deficit reduction measures would disproportionately affect young people and the poor. While many thought the middle classes would also suffer as a result of the spending review, few thought the most well off would bear much of the burden (figure 4).

The perception that young people would bear the cost of the spending cuts was underpinned by a view that politicians were least likely to make decisions with them in mind: 54 per cent of young people polled believed that the government thinks most about 36–50-year-olds when making decisions, 35 per cent believed the government thinks most about 21–35-year-olds, but only 7 per cent believed that the government prioritised their own age group (11–20-year-olds) when making political decisions (figure 5).

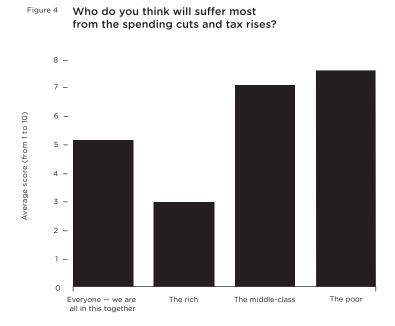
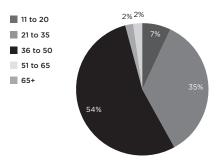


Figure 5

Which generation do politicians think about when they make decisions?



This sense of unfairness was perceived to be most manifest in the rising costs of higher education and the increasing difficulty of finding secure employment. A significant number of participants made explicit reference to the failure of all the parties to be clear about deficit reduction plans during the election.

There was a general consensus among participants that cuts in education, particularly in higher education, would lead to social immobility and affect their own age group and those at the lower end of the income threshold most severely. The concern about higher education was frequently raised in table discussions and was the subject of most text messages sent throughout the convention. This is covered in more detail in the section on education below.

The speed and nature of deficit reduction

We need to cut bit by bit, too much at once could make things worse.

Won't [we] just be in more recession if people are just in more debt in six years' time? If we're all in £50,000 debt because of university, won't that make things worse?

There was near unanimous agreement around the room that the deficit was a major problem that needed to be tackled. However, the majority did not agree with the pace and depth of the cuts being pursued by the coalition. Most participants shared the concern expressed by one participant that 'the government are only concerned with how much can we slash and burn now'. When asked how quickly spending needs to be cut, 80 per cent agreed with the statement, 'cuts need to be made, but more slowly to give time for the economy to recover' and just 11 per cent agreed with the statement 'we need to cut spending as quickly as possible to balance the books' (figure 6). In table discussions a minority of participants raised concerns about the possibility of cuts leading to a double dip recession.

We asked participants what they thought the balance should be between using spending cuts or tax rises to pay off the

Figure 6 Which view on government spending do you agree with most?

- Cuts need to be made but more slowly to give time for the economy to recover
- We need to cut spending as quickly as possible to balance the books

Don't know

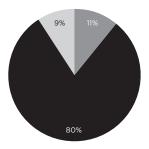
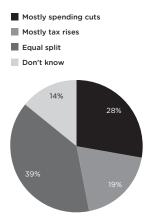
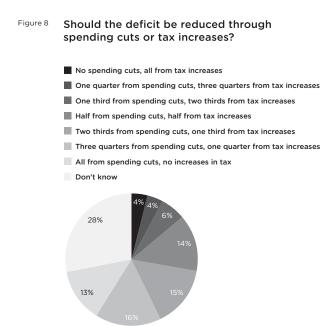


Figure 7 How should the deficit be paid off?





deficit. Participants did not agree with the coalition's policy of using cuts as the primary tool for deficit reduction: only just over one-quarter (28 per cent) thought it should be paid off mostly through spending cuts; more than one-third (39 per cent) thought there should be an equal split between spending cuts and tax rises and just under one-fifth (19 per cent) thought it should be paid off mostly through tax rises (figure 7).

The views of participants at the convention were markedly different from those expressed by 18–21-year-olds in the wider polling. Only 14 per cent opted to reduce the deficit through raising taxation to cover half or more of the cost. In contrast, 44 per cent opted to plug the deficit by using spending cuts to cover two-thirds or more of the costs (figure 8). Moreover, 28 per cent said they didn't know, whereas only 14 per cent said they didn't know at the convention. Although it is difficult to make accurate comparisons between different sample sizes, it is noteworthy that

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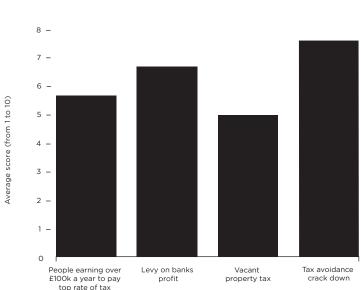


Figure 9 Which additional tax raising measures would you support?

those who answered this question after discussion with others at the convention placed a greater emphasis on taxation over spending cuts.

Where the convention participants seemed to have a uniform view of the ratio of tax increases to spending cuts, they were more ambivalent when asked to decide which type of taxes should be used to balance the books (figure 9). The lack of strong support for different proposals to raise taxes may have been a reflection of their understandable confusion in grappling with the complexities of different taxes. In discussion participants frequently raised concerns over issues of fairness, the accountability of the rich and distinctions between universal and income-dependent tax systems. A minority of participants were opposed to paying any taxes at all, but the majority were caught between contradictory feelings of advocating a degree of redistribution and the view that those who work hard deserve to keep the higher levels of income they earn. Thus participants were pragmatic realists rather than idealistic egalitarians or radical libertarians.

There was initial agreement that the government's planned rise in VAT would act as a necessary stopgap to reducing the deficit and raising government revenues. As discussions progressed, participants became more aware of the regressive nature of the tax and expressed concern for the implications of the rise in the VAT rate on the lowest earners in society. The two demographics they referred to most frequently were their own age group and the poorest. Some suggested that because VAT is a tax on spending it would have a greater impact on their age group, as many thought they were the biggest consumers of luxury items.

The recurrent suggestion that the richest should be taxed the most heavily was generally popular but at the same time many voiced concerns that too drastic an increase would lead to 'brain drain', drive wealthy people abroad, and act as a barrier to entrepreneurship. Many participants believed income tax fairer than VAT as a means of reducing the deficit because VAT is a regressive tax.

When considering alternative options for raising revenue through taxation, most participants favoured significant levies on banks. There were mixed views on capital gains tax: some thought it was right to tax rich people but others thought it unfair to tax people on profits made on assets which they already owned, as this was an unfair 'double tax'. There were equally divided views on the suggestion that inheritance taxes should be increased to meet the deficit.

What matters most?

Before the election both the main parties were criticised for failing to spell out in detail how they would increase taxes or cut spending to reduce the deficit. Although it was clear that the Conservatives and Liberal Democrats would place greater emphasis on cutting spending, both claimed to be able to make savings through reducing waste and being more efficient rather than by making cuts to frontline services.

Following the election and formation of the coalition government, it become clear that frontline services would be affected, at least to some degree, if the government was to meet the target of eliminating the structural deficit by 2015, as announced in the emergency budget. With health and international development spending protected, other departments were being pressed to make savings of around 25 per cent, with some such as the Department for Culture, Media and Sport reported to have to make cuts of up to 40 per cent. However, it was intimated that the severity of cuts across other departments could be minimised if welfare spending, which accounts for the largest amount of public expenditure, took the largest hit. It was clear that whatever decisions were taken, the deficit could not be reduced primarily through the politically palatable route of cutting 'wasteful' levels of bureaucracy alone.

To give participants at the convention a sense of the difficult trade-offs facing the government, we asked them to rank different areas of spending according to their importance to them as individuals and to society as a whole.

We then mapped the results according to whether they were high, medium or low areas of spending. Could participants meet the type of savings target set by the coalition by slashing functions they thought were unnecessary and wasteful, or would they have to face difficult trade-offs between areas of spending they had designated as high priority?

Participants' highest priority areas in descending order were education, health and public order and safety. With the exception of education, these areas were perceived to be even more important to society as a whole than to the participants as individuals. The largest variation in perceptions of immediate individual benefit and wider societal benefit was in social protection, covering benefits and pensions. It is not surprising that participants thought education and health should be protected from cuts, but it is noteworthy that they did not consider welfare spending, the largest of the 'high cost' areas of spending, one of the top three priorities (figures 10 and 11).

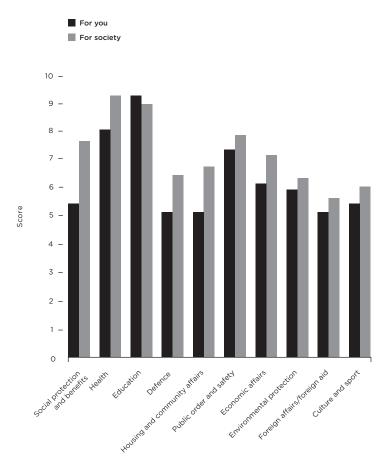
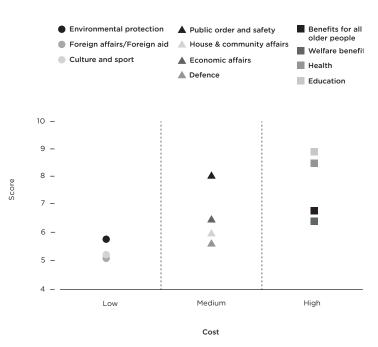


Figure 10 How important are the following State activities?

The immediate short-term significance of these results lies in how closely they match the decisions the government actually took in the spending review. The potential longer-term significance concerns the way in which the next generation of adults will view future reform of the social security and benefit components of the welfare state. Although the participants

Figure 11 Cost of public services compared with young people's priorities



showed some ambivalence on taxation in discussions and voting, the strong consensus on cutting social security suggests that the next generation of adults might be prepared to accept further reductions in this area to maintain spending on health and education.

Education, education, education

It becomes daunting for working-class families – I've never seen that much money in my life! I don't know how I'm going to pay it back.

Raising the tuition fees of the richest and lowering those for the poorest would support the aspirations for the poorest people and would support the economy through supporting their life choices.

If we're meant to be the future, how can we be left without? If we can't go to university, how are we meant to make England a better place in the future?

All the participants said education was the area of spending of most importance to them. Many raised concerns about cuts to higher education and increasing costs to students to make up for any resulting shortfall in university funding. In particular, they were concerned about the potentially regressive nature of the costs and their effects on lower-income families

We explored higher education funding in detail, and asked participants to discuss and vote on two key questions:

- how to address the spiralling costs of higher education: cap places to prevent costs rising or meet the rising costs of expansion by having students pay more
- whether they would prefer for these costs to be met by a graduate tax or the system of increased fees and higher cost loans recommended in the Browne review on higher education,⁴⁴ a version of which will be introduced by the government

On the first question, the majority voted for continued expansion: 59 per cent were in favour of increasing fees over 41 per cent in favour of capping numbers to prevent costs to students rising any further (figure 12). On the second question, a large majority (62 per cent) preferred a graduate tax, the remainder (38 per cent) voting for increased fees and higher cost loans.

Should everyone go to university?

Although when asked to make a choice a significant minority (41 per cent) had opted to restrict university places rather than increase fees, participants disagreed about the link between education and social mobility and the worth of different types of

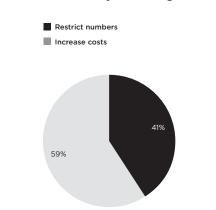


Figure 12 How would you fund higher education in the future?

aspiration. During table discussion there was heated argument about whether it was desirable to expect 50 per cent of people to attend university, but many felt that social mobility was tightly linked to education and that people could only realise their aspirations in later life if they went on to higher education. Therefore everyone should aspire to higher education and it should be accessible to all young people regardless of their ability to pay. However, others argued that many people went to university to 'have a good time' rather than to learn, that non-vocational degrees were often irrelevant and that there was in any case a lack of job of opportunities for people following graduation.

Another strain of argument was that people had different types of aspirations and there was an overemphasis on higher education at the expense of vocational education, through which young people could develop practical skills for careers, which could be more useful than academic degrees. Some participants felt strongly that the government should promote a wider notion of aspiration than the 'middle class' focus on careers that required academic degrees.

Paying for it

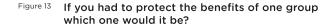
Raising the cost of university for students was generally unpopular, yet there was reluctant acceptance that, if this was the only option, it was preferable to reducing the number of places at university. Although a significant majority (62 per cent) of participants preferred a graduate tax to increasing fees, a number of concerns were voiced in the table discussions. A few participants showed a very keen awareness that taxes, being less visible and more complex than fees, could end up costing them more over the course of a lifetime. As one put it: 'People are more in favour of taxes because they don't know how much it'll be and how it'll play out.'

It is noteworthy that discussion over how to pay for higher education was not unremittingly negative. Participants tended to agree that a rise in fees could reduce the number of people who go to university in order to have fun rather than study seriously. A number of participants also put forward proposals that didn't dismiss higher fees out of hand but considered fairer or more effective ways of implementing them:

- charging variable rates for different courses, in particular, higher rates for more vocational or resource-intensive courses
- means-testing fees according to family income (although the policy of raising fees accompanied by heavily subsided loans for lower-income students was not seriously entertained)
- creating private and public universities akin to the US system to enable those from lower-income backgrounds to study at elite institutions and allow for more diverse and high quality courses.

Social security and benefits

Discussion on the welfare budget was framed around consideration of what type of benefits should be protected from spending cuts. Participants were asked to vote on whose benefits they would protect of three groups: children in low income families, low income adults and older people on low incomes. By a narrow margin they voted to protect benefits for poor older people over those for children in low-income families; they



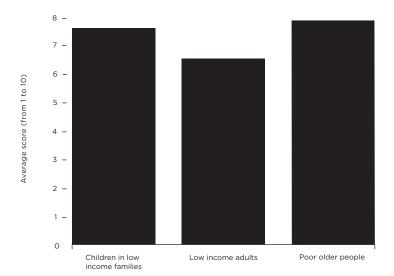
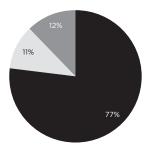
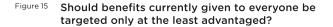


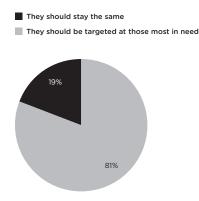
Figure 14 Would you choose to cut spending on unemployment benefits or on pensions?

- I would choose to cut spending on unemployment benefits
- I would choose to cut spending on pensions

Don't know







assigned protection of benefits for low-income adults the lowest priority (figure 13).

In the wider polling, 18–21-year-olds had similar priorities. When asked whether they would cut spending on unemployment benefits or pensions, if they had a choice, over three-quarters (77 per cent) chose to cut spending on unemployment benefits, but only just over a tenth (11 per cent) chose to cut pensions (figure 14).

We also asked participants at the convention whether they thought universal benefits should stay the same or be targeted at those most in need. Only 19 per cent thought they should stay the same and 81 per cent thought they should be targeted at those most in need (figure 15).

In table discussions before the vote participants strongly supported universal benefits for particular groups, though had divided opinion about benefits for older people. Some participants stressed that winter fuel payments and free travel are not necessities for some older people: those who can afford to pay for these services should be made to. However, the majority stressed the respect and concern that should be shown for those older people, arguing that old people had earned the universal benefits they received because they had worked and paid taxes all their lives. The strong feeling among participants that benefits for the older generation should be protected is perhaps surprising given their overwhelming support for means-testing more benefits.

There was much less sympathy for rich families who receive benefits, with almost uniform agreement that benefits should be cut for those who did not need them. This shows participants believed in a form of 'selective universalism': their support for universal benefits for older people did not extend to supporting the principle of universality in general.

Participants agreed that child benefits should be targeted at those who need them most, but views differed about how this should be achieved – whether through a system of means-testing or through benefits being awarded universally. Some suggested child benefit should be available to all who apply for it but that the levels of benefit provided should depend on individual circumstances and needs, for example the size of families and the quality of housing and education available to them.

Most participants voiced particular concern at the prospect of education maintenance allowance (EMA) being cut in the spending review. The EMA is provided as a direct cash incentive for pupils from low-income families to participate in post-16 education. The proposed cut provoked nearly as much discussion as the more high profile issues surrounding higher education funding; many participants drew on their own experiences of receiving EMA as a framework for thinking about the effectiveness of means-tested benefits in general.

There was general consensus that EMAs are effective because students can only claim them if they continue to do their schoolwork and carry out other educational requirements. Participants emphasised the importance to students of being given responsibility over their own money, so they had a sense of independence and confidence:

It makes a difference about whether you choose to stay in school and improves your dedication to school and your attitude – it gives more of an incentive to go the extra mile.

I need my EMA – I use it to pay for my book allowance, I wouldn't be able to be entered for my exams otherwise.

A minority of participants disagreed, citing anecdotes of people they knew who had abused the system.

Surplus to requirements?

Everything is important. Couldn't they just cut a little bit from everything?

After discussing the funding of higher education, the most animated debates of the convention took place when considering which other areas of public spending were irrelevant or unnecessary, with divided opinions about all areas suggested. Perhaps as a consequence of the diverging views, participants agreed about the complexity of placing a value on services and their varying levels of relevance to different members of society.

Participants had particularly divided opinions about the value of four areas of spending – defence, environment, immigration and foreign aid – arguing over their intrinsic value and strategic importance to the British economy:

It's good to help fund other countries, but if we have financial problems we shouldn't (not as much) fund other countries if we have problems of our own.

[We] shouldn't stop funding other countries in case we need future help.

When discussing the importance of foreign aid, participants had opposing views: that 'we need to look after our own' and the belief that spending on foreign aid is essential to developing good relations with other countries.

Another contentious area of debate was the value that should be placed on the arts and sport. A majority of participants argued that arts and sports were not essential and in the context of the deficit were lesser priorities than preserving essential services: No one is going to die if there aren't museums –if we have to prioritise, I'd cut them.

A significant minority stressed the need for a longer-term approach to assessing cultural and social value, and emphasised the role of the arts and culture in generating revenue from tourism:

Cutting funding to arts and museums is a very short term way of thinking. In the long term you cannot afford to lose the identity of a country.

Giving young people a voice

People like us don't know what we're talking about... but that's only because we haven't had the chance and that's not fair. If you make politics lessons compulsory, we could have an equal chance and we could make good decisions.

Against the general agreement among participants that politicians fail to take young people's views into account, some raised the question of whether the voting age should be lowered. Approximately half the participants felt that 16-year-olds were not informed enough to make mature political decisions; the other half argued that as 16-year-olds were the generation most affected by the policies being considered they should be given more direct influence over decision-making processes.

However, there was overwhelming consensus among participants that there was a lack of sufficiently comprehensive and transparent information available to young people on the specifics of political and economic policy making. Around half the participants suggested that this situation could be successfully remedied by increasing the spending on citizenship lessons in schools, and this suggestion was met with almost universal support when it was discussed.

We asked participants at the start and at the end of the day who they thought should be making decisions about the spending cuts to gauge the extent to which their views had

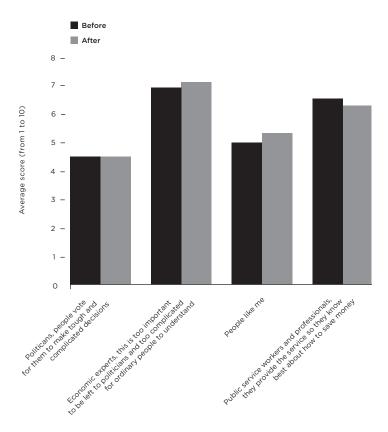


Figure 16 Who should decide how the books are balanced?

changed in the course of the day, whether they had greater confidence in engaging with policy, and more empathy for politicians in making decisions about the deficit. When asked at the start of the day there was a near 50:50 split between those participants who believed teenagers should make decisions on the spending cuts and those who believed such decisions should be left to experts or professionals, though only a minority felt

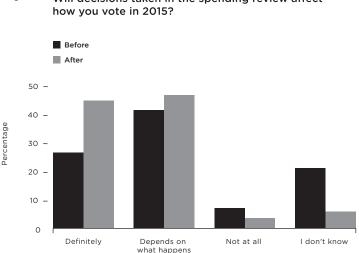


Figure 17 Will decisions taken in the spending review affect

decisions about the deficit should be left to politicians themselves.

The responses when asked the question at the end of the day show that participants' confidence in the ability of young people to make complex decisions had increased, but only to a marginal degree. There was no change at all in their fairly negative views on the competence of politicians (figure 16).

We also asked participants at the start and end of the day whether decisions taken in the 2010 spending review would affect how they voted in the 2015 election. The majority each time said it 'depends on what happens'; the most interesting shifts in views when considering the two results were the number of participants who moved from the 'don't know' to 'depends' or 'definitely' categories. In the first vote, just under a quarter of participants said they didn't know whether the spending review would affect how they would vote in the general election, but in the second vote there were just 6 per cent who didn't know. Likewise in the first vote just over one-quarter said the spending

review would definitely affect how they voted in the general election; this figure doubled in the second vote, with just under half choosing this option (figure 17).

This suggests that the choices made by the next generation of voters will be strongly influenced by the decisions taken in the 2010 spending review. At the very least we might expect that the number of young people who will vote at the next general election will continue to increase, as it did for the 2010 election.

4 Conclusions: back to the future

The underlying purpose of the convention was to contribute to a shift in our political culture – in which young people exercise their right to be heard rather than waiting for an invitation to speak, and in which their contribution is given due consideration and respect.

Given the mind-bending complexity of public finances and budgets, we did not expect 100 young people to fully understand every aspect of the comprehensive spending review, let alone to come up with detailed proposals for plugging the deficit. We were also aware of the importance of attempting to have as representative a sample of young people attend the event as possible, within the constraints of numbers. While our participants were not the perfect mix, they had very different levels of political involvement, from those who were active in political parties to those who had professed little to no knowledge or interest in politics.

The participants' handsets enabled them to send text messages whenever they had a point or a question to raise, and these messages were displayed at various times throughout the afternoon. In the opening session, one participant texted, 'I'm confused', eliciting nods of agreement around the room when the message was displayed on screen. As the day progressed, many of the participants who had initially kept quiet in the group discussions became more and more animated – many expressed surprise that they actually had something to say on seemingly arcane questions about taxation and benefits. Some left the session at the end of the day overwhelmed by the blizzard of technical detail, but others had a clearer sense of the moral questions that would be at stake in an important government announcement the following week. Ear-wigging on mobile phone conversations may not be a scientifically recognised method of gathering evidence but the content snatched from participants' conversations with friends at the end of the convention capture something important about the Young People's Convention on the Deficit. We overheard one participant excitedly tell a friend that she had the oddest day: she had been asked 'by the government to tell them how to sort out their budget', and although she started the day 'feeling like a moron', she finished it feeling like she had become 'ten times more intelligent'.

One of the most striking sentiments expressed in text messages and conversations around tables was the sense of gratitude that participants were being informed about issues of such importance and being given the opportunity to discuss them.

The implications of key findings and messages from the Young People's Convention are considered below.

Seen but not heard

The young people at the convention had a pervasive sense that their needs and concerns come low down on the list of politicians' priorities. Partly as a result of this attitude, they expected that their generation would suffer the most from deficit reduction. They saw proposals to cut higher education funding, raise fees for students and scrap the EMA as the most egregious examples of this neglect.

The participants were vocal about their lack of preparedness for engagement. Many expressed dismay at the lack of communication about the issues involved in deficit reduction and felt that – as well as not having been asked their opinion before the convention – no one had explained the problem. Greater levels of political literacy were seen to be the key to enabling young people to understand and participate in decisions affecting them. Improved citizenship and politics education at school was seen as a vital means to raise political awareness, as both a prerequisite for lowering the voting age and of value in itself.

No sign of intergenerational conflict... yet

Despite evidence of intergenerational inequality increasing, young people are neither particularly pessimistic about their future nor explicitly resentful of older generations. While there was a pervasive, broadly held sense that politicians privilege the concerns of older generations, there was also evidence that young people put the needs of older people above their own. Participants' belief that benefits for older people should be protected and universal benefits for this age group preserved suggests that the short-termist outlook that has dominated economic and policy decisions in recent decades has not taken hold in young people. At the same time, lack of current awareness of the challenges young people face in their transition to adulthood means we know little about how they will feel when confronted with such challenges. Thus, there is not yet evidence that intergenerational conflict is about to escalate, nor any evidence that policy makers are genuinely addressing the needs of the 'jilted generation'.

Not so fast...

While aware and appreciative of the need for the deficit to be tackled, the majority of young people did not support the rapid pace of cuts or the ratio of spending cuts to tax rises being pursued. Participants' preferences on this issue remained near identical at the beginning and end of the convention. This shows that young people approach spending cuts with a high degree of scepticism, which is different from knee-jerk opposition. This suggests that the coalition's argument that there is 'no alternative' to the pace and depth of cuts does not convince young people – especially over cuts in areas that directly affect them. Rather, political leaders need to work harder to treat young people as participants in a debate about the fairness and positive benefits of such reforms rather than simply describing them as inevitable.

How not to engage young people about their future

Will Hutton, while in favour of removing caps on tuition fees, claims that the student backlash has been intensified by the way in which the plans have been justified and by the proposed manner of their implementation. He argues the 'proportion and pace at which fees are being hiked is unseemly', but worse still is 'the lack of an overarching philosophy to understand what is happening and why'.⁴⁵

When given a choice, young people opted for a graduate tax over lifting the cap on fees and charging higher interest on loans. However, they acknowledged that this may well be because the costs of a graduate tax to the individual are much harder to grasp without knowing how much they will go on to earn. Nonetheless, the antipathy towards increasing fees demonstrated that the government has failed to communicate the fairness of their proposed reform. While some participants were aware they would not have to pay anything until they started working, the prospect of starting their working lives with higher levels of debt than current graduates was cited as a strong disincentive to attending university.

A number of supporters of the coalition's proposal to increase fees for students studying at university have argued that the level of opposition shown at student protests was the result of misinformation about the impact of the changes.⁴⁶ If it is indeed the case that the changes will actually make it easier for those from low income households to attend university, and that debt repayments will not be overly burdensome when they start to work, much of the concern about social mobility and affordability voiced at the convention might be allayed.

The lack of over-arching justification may account for the overwhelmingly defensive tenor of many student protestors, who appear to defend the status quo without providing alternatives, beyond raising more from general taxation. Yet young people at the convention were prepared to countenance a radical shift in the provision of higher education, which didn't fit neatly into being pro-state and anti-market, notably the preference expressed by some to have an explicit mix of private and public universities along the lines of the US system. The views expressed at the convention suggest that young people may be more open to change than is generally realised. They are not necessarily instinctive reactionaries to change – they would, however, like to be asked and listened to on issues that directly impact their lives.

The Browne review on higher education sought and received evidence from student bodies and those representing school leavers. Yet none of the commissioners were aged below 30. This is to a large extent justified on the basis that commission members were selected for their expertise, on what they knew rather than who they represented. But neither the commission nor the government thought to parallel the development of the proposals with a programme of systematic and structured engagement with school leavers, students or recent graduates. In the final analysis it is always up to elected representatives to make decisions on policy, but if such policy is to be future-proof, it should surely pay more attention than currently to the generations that will be most affected by it.

The end of universalism?

The pragmatic opinions that emerged in the discussions around higher education came out even more strongly in views about taxation, public services and welfare benefits. These not only tell us about what young people thought should be protected in the spending review but also hint at more general views of the participants about the future of the welfare state itself.

Peter Kellner has argued the three key areas of 'social democratic' spending that defined the post 1945 settlement – education, health and social security – were on course to become unaffordable in the next few decades, even without the recent economic downturn. He argues that, contrary to the assumptions of the founders of the welfare state, the costs of education and healthcare will constantly rise as people will always seek better quality services, access and treatments. With costs increasing faster than national income, Kellner contends that quality public education and healthcare can only be sustained if the spending on social security diminishes considerably.⁴⁷

How attached are young people to commitments to increase spending on health and education and what scope is there for reform and compromise in taxation or service delivery? The coalition's decision to protect health from spending cuts speaks to a widely perceived sense that the NHS is a near sacrosanct institution. The high priority placed on health by young people at the convention and in polling suggests they share this view and are therefore unlikely to show greater flexibility on this issue than the rest of the population unless or until a major political initiative re-evaluates the provision of healthcare.

The coalition's decision to make the bulk of the savings through slashing the welfare budget chimes reasonably well with the preferences of young people. However, young people's attitudes towards different types of welfare recipient and differing benefits were complex. Although somewhat surprisingly some participants supported benefits such as free TV licences being given to all older people, most did not support the principle of universality for other benefits. They seem to be neither fully committed to universal provision across the welfare state, nor totally opposed to it in certain areas. Understanding how to work with these mixed views about universality may prove vital to building support for further changes to the welfare system in coming decades.

While young people immediately saw the importance of child benefit, even if believing it should be more targeted, they displayed a relative lack of concern about cutting unemployment benefits. Yet given the current squeeze on graduate employment, and that the under 25s are most likely to be in long-term unemployment, it is perhaps surprising they were not more sympathetic to the need for unemployment benefit.

There are a number of possible reasons for this, not least that few of the young people we spoke to had left full-time education, and they may have been reasonably optimistic about their own job prospects. Participants might also share the widely held public view that people on unemployment benefit are essentially members of the undeserving poor. Previous research from the Joseph Rowntree Foundation has shown that nearly two-thirds of the public think poverty is either an inevitable part of life or the result of a person's laziness.⁴⁸

Transferring political capital

It remains to be seen whether the turbulent future that awaits the current generation of teenagers will give them cause to challenge unsympathetic attitudes towards those on unemployment benefit or whether they will feel that they only have themselves to blame if they fall on hard times. While greater empathy towards those in poverty may be desirable in its own right, it would be a tragedy if this came about as a result of today's generation of young people experiencing a downward shift in social mobility. Equally, if the next generation of adults feels they have personally failed because they have been unable to realise the high aspirations they had as teenagers, this will ultimately be because of the previous generation's collective failure to plan ahead rather than a lack of ambition or hard work on their part.

The sociologist Zygmunt Bauman ruefully notes that in advanced consumer societies such as the UK, people are increasingly expected to forge 'biographical solutions to socially produced afflictions'.⁴⁹ The challenges young people are set to face in the future – from uncertain and insecure employment to coping with the consequences of climate change – cannot and will not be solved by individuals acting in isolation. If they are to stand a chance of developing collective solutions to their shared afflictions, they require a transfer of political capital today.

At the very least this means decision makers need to engage more systematically and consult young people on profound policy changes such as the spending review. It is unlikely that increasing tuition fees for students was ever going to be popular, but the lack of dialogue with young people in developing the proposals has added insult to injury and arguably reinforced the perception that politicians tend to dismiss the views of young people.

It may be the case that politicians will only become truly incentivised to heed the views of young people if young people have greater weight at elections, and as demographic trends currently stand, the influence of the under 25s on election results will diminish over time. The number of people of state pensionable age is projected to increase to almost 15 million by 2031, and the numbers in the oldest age bands will increase the fastest, with those aged 75 and over rising by 76 per cent over the next 25 years, from 4.7 million in 2006 to 8.2 million by 2031. Eurostat statistics indicate that we will see a 44.5 per cent increase in the 65–79-year-olds and a 24.3 per cent decline in 15–24-year-olds in Europe by year 2054.⁵⁰ The need to address this growing demographic imbalance by swelling the ranks of young people who can vote is arguably the strongest rationale for lowering the voting age.

Although increasing opportunities for consultation and lowering the voting age may be necessary to bring about a shift of political capital, neither will be sufficient. If today's young people are to have capacity to imagine shared solutions to seemingly intractable 'socially produced afflictions', they need to be given the opportunity and resources to develop the political and civic capabilities of democratic questioning, dissent, deliberation and collective problem-solving. They need to experience democracy as an ethos and way of life in their homes, classrooms and communities. And it is the responsibility not just of politicians or civil servants but all of us to provide this experience, be we think tank researchers, employers, teachers, community leaders or parents.

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The weekend before the spending review was announced, Demos held a Young People's Convention on the Deficit with one hundred 16 to 18-year-olds. This was the first time young people not eligible to vote in the 2010 general election were invited to formally express their views on cuts and a political agenda that would impact directly on them and their life chances.

This pamphlet presents detailed findings from the convention, supplemented with wider polling of 18 to 21-yearolds. It contributes to the ongoing debate on the fortunes of 'generation crunch' and addresses the wider question of how societies factor the needs of future generations into their decision-making processes. *Back to the Future* suggests that increasing young people's opportunities for consultation and lowering the voting age are reforms that would allow them to overcome the considerable economic and social challenges of tomorrow.

These challenges – from uncertain and insecure employment to coping with the consequences of climate change – cannot and will not be solved by individuals acting in isolation. This pamphlet argues that if young people are to stand a chance of developing collective solutions to their shared afflictions, they require a transfer of political capital today.

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