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DOI:
10.1080/02680939.2017.1361551

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Document Version
Peer reviewed version

Citation for published version (Harvard):
https://doi.org/10.1080/02680939.2017.1361551

Link to publication on Research at Birmingham portal

Publisher Rights Statement:
Checked for eligibility: 29/08/2017
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The new youth sector assemblage: reforming youth provision through a finance capital imaginary

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The new youth sector assemblage: reforming youth provision through a finance capital imaginary

The language of austerity has been widely used to characterize policy-making in post-industrial nations since the financial crisis. Youth services in England are a noted example of the effects of austerity, having suffered rapid and severe cuts following a period of record investment prior to 2008. In this article, I argue that ‘austerity’ is an inadequate conceptual basis for critical analysis of policy-making since 2008, and that youth services are better understood as an exemplar case of the reforming effects of a ‘late neoliberal regime’. The late neoliberal regime describes a regulation of production through a finance capital imaginary, as distinct from the productive capital imaginary of the quasi-marketising neoliberal regime. I argue that late neoliberalism has effected the disassembly of quasi-marketised youth services and simultaneously the emergence of a new youth sector founded on norms of investment and return. I trace the reforming force of this regime through the productive relations of capital distributions, policy discourse, and organizational forms.

Keywords: neoliberalism; youth services; assemblage; social investment; austerity

Introduction

The financial crisis of 2008 sent shock waves through social, political and economic domains, shaping massively complex globalised processes of public service assemblage (Deleuze and Guatari 2004b, a). In developed economies with high levels of debt, one effect has been the widespread adoption of central government strategies of fiscal constraint or ‘austerity’ with respect to public services (Clarke and Newman 2012). The UK is a prominent example, and, in the field of education, youth services in England have been particularly affected. In the five years since fiscal year 2007/8, the United Kingdom went from record investment in youth services to effectively ending the national project of open-access youth provision begun in 1938. Central government spending on youth services fell rapidly and ministerial responsibility was moved out of
the Department for Education and rolled into a wider ministerial brief for charities and social investment (Cabinet Office 2015). As the UK’s National Youth Agency stated, ‘there is no longer a common form of youth service across England’ (DfE 2014b, 2).

However, austerity is inadequate as a critical account of policy change regarding youth services since the financial crash. Rather, youth services can be better understood as an exemplar case of the reforming force of a ‘late neoliberal’ regime of power that emerged after the financial crisis, with transnational significance for social policy (McGimpsey 2017). This article explores how the regulatory force of this regime has rapidly ‘disassembled’ quasi-marketised youth services in England (Youdell and McGimpsey 2015) and begun to assemble a ‘youth sector’ as a site of social investment.

Working with assemblage theory (Venn 2006, Deleuze and Guatari 2004b, DeLanda 2006) and notions of neoliberalism applied within education policy sociology (Ball 2013), I begin by briefly setting out a conception of neoliberal public services as a complex, mobile apparatus that consists in the productive relations of diverse components. These ‘practical relations’, as Ball calls them (2013, loc. 1841), are the means by which the economic rationalism of neoliberalism is realized and extended in social body. The ‘late neoliberal regime’ is based on the established idea of neoliberal government as entailing the strategic conditioning of the development of public service apparatuses. To say ‘late neoliberal’ is specifically to make a distinction between phases of neoliberal reform, according to how distinctive ‘lines of force’ in each phase have inflected the emergence of public service apparatuses. I begin by briefly setting out these ideas. In the analysis that follows I show how such ‘late-neoliberal’ policy-making, not limited simply to a fiscal policy of ‘austerity’, effected rapid reform of UK youth services. This analysis starts with a brief description of the expansion of youth services through quasi-marketisation during a prior phase of neoliberalism. I then
describe how late neoliberalism has gone about its disassembling and assembling work focusing on: reforms to the distribution of capital to services; the place of social investment in policy discourse and the constitution of new notions of value and new objects of knowledge; and the reform of the field of youth provision, with increased hybridity in organizational forms in the new ‘youth sector’.

**Late neoliberalism and public service assemblage**

This analysis proceeds from a conception of youth services as an assemblage that emerged under the neoliberal regime, but that was subsequently ‘disassembled’ as a new ‘youth sector assemblage’ emerged. The language of ‘late neoliberal regime’ is used as a means of interpreting the distinctive reforming force that produced these latter effects.

The notion of ‘assemblage’ has been used in educational research for a variety of purposes (Youdell 2015). Here it conveys how fairly extensive ‘social apparatuses’ (Deleuze 1992) like the education assemblage, that are composed of complex and shifting arrangements of different parts (from elements of discourse, to bodies, money, buildings and so on), are produced and sustained in ‘machinic’ processes (Deleuze and Guatari 2004a). ‘Machinic’, as distinct from mechanistic, suggests production as a persistent, decentralized, distributed functioning based on the interconnections of these components; interconnections that produce machines that in turn ‘connect with other machines in a constant process of becoming’ (Tamboukou 2008, 366). Assemblage, thus, can be understood to imply the simultaneity of a social apparatus and the machinic functioning of that apparatus. ‘Assemblage’ has a dual sense of verb (assemblage as production) and noun (an assemblage as produced). Assemblage implies both the existence of a ‘thing’ and a functioning through which the sense of ‘thing’ persists.
From this perspective, to name an apparatus (for example, a local authority area’s youth service) or delineate a population of organisations (for example ‘youth organisations’) is to say less about the abiding qualities of something, and more about what a productive process has done in making and sustaining that thing as it is. Equally, a discontinuity such as the end of youth services describes the productive forces at play, albeit forces of a different quality and effect. ‘Assemblage’ refers to all of this this scene at once; it is a means of ‘thinking structure as well as multiplicity and indeterminacy’ (Venn 2006, 107) simultaneously.

Assemblage gives the notion of a ‘neoliberal regime’ a particular meaning, referring us specifically to the quality of the productive forces of neoliberal government. Ball, following Foucault, has described neoliberalism as a specific modality of government that relates truth, power and the subject through the constitution of a ‘discursive field within which the exercise of power is “rationalised”’ (Ball 2013 loc. 1688). Conceptualised in this way, ‘neoliberalism’ refers to constitution of a regulatory force through the investment of complex apparatuses of institutions, practices, norms, knowledges, and subjects, in a techno-ethical process of subjectivation conducive to capitalism. The neoliberal ‘regime’ connotes the sense in which the productivity of this ‘tangle’ (Deleuze 1992, 159) of machines is subject to a certain regulation; the effect of giving complex, machinic assemblage a ‘trajectory’ (ibid.), sketching its lines in real-time.

To distinguish a phase of late neoliberalism or refer to a ‘late neoliberal regime’ is, then, not to claim a fundamental break with neoliberalism as a modality of government or its relation to capital. Late neoliberalism continues to involve the extension of market forms in domains of the public, civic, culture and subjectivity. Late neoliberalism is a distinction within the neoliberal regime of power, rather than a
distinction from it, based on relatively general changes in how neoliberalism works to sustain itself. That distinctiveness can be understood in terms of the changing competence of certain ‘lines of force’ which effect the trajectory of complex public service apparatuses. And, as noted by Ball, this is the kind of change that has happened before in the UK since the late 1970s and is marked again by ‘austerity’ (Ball 2012b).

Specifically, late neoliberalism refers to the growing effectiveness of finance capital imaginaries as distinct from productive capital imaginaries, in conditioning the trajectories of public service reform (McGimpsey 2017). Quasi-marketisation dominated recent decades of neoliberal reform of education (West and Pennell 2002, Le Grand 2001, Whitty 1997), based on a productive capital imaginary of the factory for the production of commodities, and the circulation of commodities through the market place of buyers and sellers. Late neoliberalism describes a situation in which a finance capital imaginary is increasingly effective in reform, whereby ‘investors’ trade in a futures market to realise a ‘return’. This is, of course, not to claim finance capital is ‘new’ or that it has simply supplanted the quasi-market, but rather that it has grown more effective as a reforming force of youth sector provision, conditioning the emergence of the youth sector beyond the terms of ‘austerity’.

In the analysis below I trace the line of neoliberal reform from the expansionary quasi-marketisation of UK youth services to the post-2008 reforms of capital distributions, policy discourse, technologies of knowledge production, and institutional morphology at a national scale of organisation. I show that beyond the constraints of ‘austerity’, these latter reforms amount to the emergence of a new youth sector assemblage.
Quasi-marketising reform

‘We want to secure a modernised youth service…We have injected additional resources to make that happen. And with that fresh investment we expect to see reform’ Charles Clarke, Former Secretary of State for Education and Skills in Transforming Youth Work, 2002

From the late 1990s, youth services in the UK underwent a period of neoliberal reform marked by the accelerated production of policy texts (DfEE 2001, DCSF 2007, DfES 2005, 2006b, 2002). In common with education policy-making more generally, these reforms emphasised the use of competitive, quasi-market mechanisms to allocate resources (Whitty 1997, Whitty, Power, and Halpin 1998) including: i) a repositioning of the state as purchaser rather than provider of services (Bovaird 2014), ii) the allocation of more capital through these market mechanisms, effecting a privatization of public service apparatus (Harris 2010), iii) ‘commodification’ of services such that they could be quantified and valued within the market (Lyotard 1984), and iv) the managerialist application of quality controls and audit as a means of control over decentralized ‘autonomous’ units of production (Ball 2003, Ball 2007).

These amounted to expansionist reforms, with youth services scaled up through the allocation more funding to local authorities to spend on ‘securing access’ to services for young people aged 13-19.

(Figure 1)

Local authorities in receipt of these funds were required to ‘create a market’ based on ‘competitive tendering processes’ (DfES 2006a, 16-17) where possible, rather than provide directly. The process of expanding provision was therefore privatizing in that it diverted public money to private organisations (typically not-for-profit), and commodifying in that it reconstituted grant funding (giving money to an organization for its stated aims with no direct exchange in mind) as the purchase of outputs. These
moves were typical of reform of capital distributions to the voluntary sector during this
period. Between 2000/1 and 2007/8, UK Government spending on the voluntary sector
grew by more than £5 billion (55%) as the sector was used to scale up public service
provision. Yet money spent as grants fell during this period. Whereas contractual
purchasing accounted for half of all money spent on the voluntary sector in 2001, by
2008 it was almost three quarters of a larger pie (based on data from NCVO 2016).

The commodification of youth provision such that it could be traded in the
market, involved its rearticulation as an input:output system in which ‘value’
corresponds to the ratio of resources expended for units supplied. This entailed a new
distinction between ‘universal’ and ‘targeted’ youth services, with the latter prioritized
because its pre-determined interventions with delineated categories of young people
were easy to record in the form of outputs. ‘Universal’ provision by contrast
encompasses open-ended relationships, dialogue and the creation of informal leisure
spaces such as youth centres or clubs, wherein no such output can easily be determined
in advance or even necessarily exists (Jeffs 2008, Smith 1988, Smith and Doyle 2002).

Universal services remained a significant part of youth service delivery, such that
government sought to reconstitute them as structured ‘positive activities’ (DfES 2005)
that could be more easily defined and purchased. These moves recast Local Authorities
as ‘commissioners’ of the ‘local menu’ of ‘positive activities’ (DfES 2005), with young
people choosing to participate becoming ‘consumers’ of youth services.

Such privatizing and commodifying reforms were the grounds for the
application of output targets for youth services (see New Labour's Transforming Youth
Work agenda: DfEE 2001, DfES 2002). ‘Public Service Agreements’ (PSAs),
introduced by the first New Labour government, were the most significant mechanism
for the implementation of targets. PSAs were agreements between HM Treasury and
‘delivery partners’ including local authorities (HM Government 2008), that established measureable outputs across a range of public service areas including youth services, and a related set of targets for delivery. Targets formed the basis for performance management, where they functioned as i) indicators of progress towards policy outcomes, and ii) as the basis of contract ‘deliverables’, holding Local Authorities and their suppliers to account. By including youth services in this centrally mandated targeting regime, the neoliberal regime found a means of specifying and regulating youth provision within decentralized systems of ‘autonomous’ providers, in similar fashion to other forms of education provision (Youdell 2006, 8).

As in other areas of education, quasi-marketisation of youth services not only changed the mechanism by which resources were allocated but changed the ‘product’ itself. As a result, neoliberal youth service policy has been subject to consistent critique for its effects on provision, in spite of the rising levels of spending that accompanied it. As small and medium sized voluntary sector providers of youth services increasingly contracted with the state, open-access provision gave way to fixed-term projects, based on pre-planned and structured activity, narrowly targeted at “excluded” or “hard to reach” individuals (Davies and Merton 2009, Wylie 2008, Spence, Devanney, and Noonan 2006). The establishment of output-based contract forms further led to the introduction of new measurement, evaluation and performance management practices (Bunyan and Ord 2012, Jeffs 2008, Cooper 2012, Davies 2012), resulting in more formalised and bureaucratic relations with young people as workers were forced to assess eligibility for programmes and measure, record and report fulfilment of outputs, and to judge project performance against targets.
The late neoliberal regime

*Capital distributions*

The language of austerity and cuts has been central to critical responses to youth policy since 2008, and not without reason. After the financial crisis there was an immediate reversal of the rising trend in spending by Local Authorities in England, and by 2009/10 there had been a 12% fall (House of Commons Education Committee 2011, 28-29). Between 2010/11 and 2014/15 Local Authority annual spending on youth services from central government revenue funding fell a further 30% (NCB 2015, 12), driving a rapid disassembly of the neoliberal youth service assemblage. Surveys by the trade union Unison indicate that between 2012 and 2014, youth services in England saw the loss of thousands of jobs, tens of thousands of young people’s places, and the closure of hundreds of youth centers (Unison 2014).

However, the decapitalization of existing local youth services does not only involve lower levels of overall spending. A significant proportion of ‘cuts’ are better understood as the redirection of capital enacted via a withdrawal of the controls on monetary flows that were established during quasi-marketisation. First, the performance-management regime of national public service targets was dismantled when target-based PSAs were scrapped across government in 2010, and replaced with departmental Business Plans based on ‘Impact Indicators’ (Institute for Government 2013). Then in 2011, the financial controls that ensured central government funds were used in local markets of youth service provision (referred to as ‘ring-fencing’) were removed. In place of funds dedicated to youth services, revenue streams for youth services, children’s services and family services were rolled together in the ‘Early Intervention Grant’ (EIG).
Within the EIG, and following the withdrawal of national output targets and ring-fenced funding, local quasi-markets of youth services not only suffered but suffered disproportionately. The National Children’s Bureau and the Children’s Society point out that, keeping budgetary definitions as consistent as possible, funding within the EIG was reduced by 24% between 2010-11 and 2014-15. However, levels of spending on youth services fell by around 30%, while family services fell by as little as 4% (NCB 2015). Within youth services, universal provision lost out disproportionately to targeted services (DfE 2014b)\textsuperscript{iii}.

As well as the withdrawal of controls on local authority spending, the redirection of capital is effected by new regulations that affect commissioning. As noted above, quasi-marketisation of youth services involved scaling up provision primarily through the purchase of outputs from local not-for-profit private providers. In 2012, the UK Coalition Government passed the Public Services (Social Value) Act (HM Government 2012), requiring commissioners to assess services’ impact on outcomes related to ‘economic, social or environmental well-being’, as distinct from outputs. This legal assertion of new evaluative norms of outcome-based investment coincides with newly introduced ‘rights’ for any potential public service provider to demand a commissioning process be undertaken with respect to services currently provided by the state. Framed using the language of ‘community’ and ‘civil society’ and ‘localism’, this ‘Community right to challenge’ (DCLG 2011) empowers any private party to demand the privatization of public service supply. These rights extend to public sector staff, who gained the right to reconstitute themselves as an employee-owned ‘mutual’ company, potentially for-profit, and ‘bid to take over the services they deliver’ (HM Government 2011a, 42). Together, these changes mean that local authority spending on youth
services is redistributed according to different aims, to different areas of service, and across a broader range of organisations.

Moreover, there has been the creation of significant new funding streams that bypass local authorities and local quasi-markets, capitalizing youth provision in different ways. The most prominent example is the UK Government’s investment in the National Citizen Service (NCS), which was piloted in 2011. The annual budget for the NCS in 2013 was reported to be £62M (Booth et al. 2014, 39), £88.7M in 2014 (Booth et al. 2015, 51-52), and the UK Government has pledged to spend a further £1billion on the programme between 2017 and 2020 (Offord 2016a). The 2014 NCS budget amounted to around a third of the total annual cut in local authority spending on youth services through the EIG. The 2018 budget for the NCS will be roughly triple the 2014 level. The programme is managed by the NCS Trust (Booth et al. 2015, 13), a ‘not-for-profit social enterprise’ who distribute this capital to their ‘delivery partners’ including organisations in the voluntary sector, social enterprise, statutory and private sector providers (NCS Trust 2017). The largest of these providers is the Challenge Network, a national organisation founded in 2009 and developed specifically to provide the NCS services. Of its £52.44M income in 2014/15, £47.15M was spent on the provision of National Citizen Service, up from a £32.66M expenditure on NCS the previous year. The Challenge Network made a surplus in 2014/15 of over £3M.

During the same five-year period from 2010, the UK government also capitalized social investment markets through the formation of Big Society Capital which was given £400M of public money, securing a further £200M from private sources. This markets are distinct as money is distributed via a raft of investment ‘intermediaries’ for the purposes of ‘social investment’ in outcomes (HM Government 2011b, Cabinet Office 2012b). This social investment capital was not specifically
earmarked for youth services, but these markets are growing quickly (Jones 2013) and the UK Government made clear its intention that intermediaries would consider youth provision when investing (House of Commons Education Committee 2011, 31). These funds are strategically important in the reassembly of a distinct apparatus of youth provision that competes for social investment. As The Young Foundation put it, in the two years 2010-2012 in which Local Authority spending on youth services fell by £307.5M, ‘the social finance market has grown rapidly to over £600 million offering funding to generate both a social and financial return’ (Jones 2013, 4).

The speed of these reforms has been extraordinary. Within three years of the financial crash local authorities were no longer required to sustain a local market of youth services, and newly established funds were not simply smaller but acted to redistribute capital. It took just five years to effectively disassemble the neoliberal youth service apparatus. Yet significant capital is flowing into youth provision after the financial crisis, though not through established local markets of youth services. Where local authorities are still commissioning local youth services, they are now legislatively bound to consider notions of impact and social outcome, distinct from outputs. New organisations – from the NCS Trust to the range of social investment intermediary bodies – have been created to perform a distributive task previously undertaken by local authorities. Once the dominance of the quasi-market as a means of capital allocation was undermined, where money went and what it could be exchanged for quickly changed. Money that had been reconstituted by neoliberalism from charitable funding to contract purchase was reconstituted again as investment capital. This has acted as a potent force of disassembly and reassembly, reconstituting the quasi-marketised local scale as a field of ‘social investment’ in ‘outcomes’. 
The finance capital imaginary

Since the financial crash there has been a rapid, transnational rise of ‘social investment’ in policy discourse (Rees 2014), that has been particularly pronounced in the UK (Bovaird 2014, 1-2). Indeed, former Prime Minister David Cameron understood the UK to be at the forefront of social investment as a policy export:

We’ve got a great idea here that can transform our societies, by using the power of finance to tackle the most difficult social problems…drug abuse, youth unemployment, homelessness and even global poverty. The potential for social investment is that big. So I want to make it a success in Britain and I want to sell it all over the world.

In 2013, London became home to the world’s first ‘Social Stock Exchange’ (Social Stock Exchange 2015), while social investment has been integrated into legal frameworks (HM Government 2012).

The rise of social investment is bound up with a change in the policy imaginary (Ball 2012a). The neoliberal imaginary has involved a play of signifiers of markets as spaces of buying and selling, of suppliers, prices, of best value, of informed and rational purchasers, choosers and consumers. All these reflect an imaginary of productive capital; of the public service *qua* factory located in the market place and subjected to competitive pressures. The prominence of social investment in the post-crisis late neoliberal regime is suggestive of a finance capital imaginary; an imaginary not of production and consumption but of investment and return, with public services a kind of futures market.

In this finance capital imaginary, different signifiers articulate in the constitution of ‘value’. ‘Social investment’ connects with ‘return on investment’, emphasising the importance of public services as producers of ‘outcomes’. An outcome is typically a variable measured at a population level that can be articulated as the desirable result that
should follow from the supply of the output (LSE Enterprise 2014, 8-9). Whereas outputs (typically a plural noun) are the direct result of the productive activity of the supplier, outcomes are longer term and/or of wider scale and not the result of any single productive activity (Harlock 2014, 5). Outcomes are thus subject to a form of statistical causality; it would not generally be said that an output *causes* an outcome, but that a measurable change in a variable that serves as a proxy for an outcome might be predicted to follow the production of outputs. Such a measurable change is referred to as ‘impact’.

Impact functions as an expression of value in a social investment market through the connection of outputs to outcomes. Such connections are made through increasingly common policy ‘translations’ of scientific or social scientific knowledges (McGimpsey, Bradbury and Santori 2016). For example, from neuroscience and psychology comes the suggestion that certain parenting practices in infancy lead to a reduced likelihood of teenage pregnancy or unemployment in later life (Allen 2011). The economic value of an impact can then be quantified through an actuarial approach based on projected costs to the state of associated public services or welfare benefits. The economic value of a reduction in future demand for services and benefits, derived from a correlation of outputs to outcomes, can be compared to the costs of producing that impact. Such a calculation can then be used to justify social investment in a service on the basis of a projected ‘cashable return’ to the state. The naming of the ‘Early Intervention Grant’ was no accident.

In UK Government youth service policy, this shift of imaginary is felt as the original neoliberal deal of quasi-marketising reform for sustained capital flows breaks down, with policy texts blaming providers for their ‘limited ability to measure and demonstrate their impact’ (HM Government 2011b, 83). Compliance with the neoliberal
regime of competition on price, audit and output reporting is no longer effective, and youth services that had been constituted through expanding quasi-markets struggle to rearticulate themselves in the terms of finance capital as a ‘social investment’.

Responses to this changing policy imaginary can be seen in the establishment of new industry bodies, with the support of policy-makers, dedicated to the articulation of the value of youth provision in terms of impact, and to promoting an ‘investment ready’ (Pinch and Sunley 2012, 120) youth sector. In Positive for Youth the UK Government articulates the aim to ‘…develop…an ‘industry standard’ common language for the outcomes that services for young people are aiming to deliver...’ (HM Government 2011b, 83-84). This aim was enacted through sector-wide efforts towards the production of evidence of ‘impact’. This has included government support for the measurement of overall national impact of youth provision through the Centre for the Analysis of Youth Transitions (CAYT) based at the influential Institute for Fiscal Studies (IFS) (HM Government 2011b, 83). Government also funded a consortium of think tanks and national youth provider bodies ‘to work with voluntary youth organisations to increase their understanding and readiness for social investment and broker their access to investment opportunities’ (HM Government 2011b, 80). Since 2014 the government has provided funding for a successor organization, the Centre for Youth Impact, which works with commissioners and providers of youth services to produce evidence showing ‘how investment in youth services is of benefit to everyone’ (The Centre for Youth Impact 2014).

At the level of providers and funders, there has been a growth in the production and use of toolkits for measuring return on investment. Youth service providers have increasingly used these evaluation practices to represent their work in terms of return on investment in order to compete for funds (Arvidson and Kara 2013), with such
representations of typically ‘strongly influenced by economic conceptions of value’

(Harlock 2013, 7). For example:

We found that for every £1 invested in the project, £7 of value is created for the
state and the local community. A large proportion of this comes from savings to the
victims of youth and gang violence that used to be common in the area. (Nevill and
Poortvliet 2011, 6)

As the pilot programme costs nearly £14.2m to government, the societal benefits
are between one and two times the cost, showing a net benefit to UK society.
(Natcen Social Research, The Office for Public Management, and New
Philanthropy Capital 2012, 13)

The last quote is from the evaluation of the NCS pilot programme. As noted above, the
NCS is a significant example of money being spent on creating new youth provision at a
time of ostensible ‘austerity’. It is also significant as an example of youth provision
understood consistently and explicitly in social investment terms. Following political
controversy over the UK government’s decision to expand investment in the service, the
Chief Executive of the National Citizen Service Trust, Stephen Green, publicly
defended the value of the service by saying:

Cost is only one half of an equation, so return on investment and the value that
investment yields is absolutely critical. And so what are the outcomes our young
people are experiencing very much has to be looked at… Educational attainment so
seven out of ten have gone on to do more. We’re working with [the UK
Universities and Colleges Admissions Services] to track how much more they get
engaged in higher education. Eight out of ten talk about the contacts that they made
in the programme three years on, people from different backgrounds. So this is the
way we stitch our young people together and help them lead local
communities…We find that one pound yields back over £4.15 in terms of
wellbeing.’ (Stephen Green quoted in BBC News 2017)

The articulation of youth provision and its value in these terms connects
organisations to the increasing amounts of capital distributed through ‘impact investing’
(Puttick and Ludlow 2012), whether directly by central government or by social
investment intermediaries. These changes to capital distribution and policy discourse
production should be understood as yet another phase of ‘steering’ education provision
through the structuring of a market (Ball and Gerwitz 1997, 207-208), this time through
the distinctive terms of finance capital.

Reforming the field of supply
In 1938, the UK government took its first significant step towards establishing a
national Youth Service by expanding the state’s role in provision. The neoliberal regime
reimagined provision as a competitive field of local ‘youth services’, with supply
capacity predominantly provided by small- or medium-sized voluntary organisations. In
each case, policy makers took a different view on the ‘acceptable balance between
voluntary and statutory’ suppliers in youth provision (Davies 1999, 21)

Following the disassembly of youth services, the phrase ‘youth sector’ has
emerged to describe a more loosely organised field of providers (see for example Rocyn
Jones 2013, Institute for Youth Work 2013, DfE 2014a, National Council for Voluntary
Youth Services 2015), in which the significance of voluntary, public or private status is
diminished. Part of a broader ‘localism’ in public policy (McGimpsey 2017), the youth
sector maintains a rhetorical appeal to ‘small, non-professionalised, volunteer-only
groups and activities’ (MacMillan 2012, 7) even as the demands of ‘investment
readiness’ favour larger charities, consortia, private companies and new social
enterprises (NCVO 2016).

The changing organisational composition of the youth sector is related to a
number of other changes at the level of provision. Youth sector providers are entering
into different funding relationships. Local government commissioners, as investors in
social outcomes, are increasingly using ‘payment-by-results’ contracting mechanisms in
which pre-defined indicators of impact control the timing of payments to the provider (CLG 2012). In effect, rather than paying up front for the purchase of outputs to be delivered, the commissioner is retrospectively giving the provider an agreed fraction of the value of the return that has been realised by the service. This reduced emphasis on outputs and shifting of risk away from government (HM Government, 2011a, p. 29) has involved significant practical changes for providers. First, it has reduced the interest of commissioners in the process of delivery, encouraging what has been referred to as ‘black box commissioning’ (NYA and LGA 2012, 14), and, arguably, giving providers greater freedom ‘to propose new ways to deliver services’ (HM Government 2011a, 29). Second, by emphasising retrospective payment, it has increased youth service providers’ demand for investment to provide sufficient operating capital. This demand for capital is fulfilled through arrangements that include provision of repayable loans both by mainstream commercial creditors, retained surplus schemes, owner investments, formal partnerships or mergers with larger entities, as well as specialist social investment vehicles (Lyon and Baldock 2014). These capital demands increase the costs and consequences of failure for providers, simultaneously promoting the financialisation of the new youth sector and binding providers even more closely to pre-specified performance goals.

Outside commissioning, there is growing emphasis on forms of social investment funding. While different social investment vehicles place more or less emphasis on direct commercial or social returns, all have the concept of return on investment in common. The logic is well expressed by social impact bonds whereby:

‘investors pay for a set of interventions to improve a social outcome that is of social and/or financial interest to a government commissioner. If the social outcome improves, the government commissioner repays the investors for the initial investment plus a return for the financial risks they took.’ (Social Finance 2016)
While demand among suppliers for repayable social investment capital from specialist providers has been relatively low (Lyon and Baldock 2014), social investment markets have significantly expanded in recent years and high profile trials of Social Impact Bonds for youth provision are being conducted in cities in England supported by the National Youth Agency (Powell 2016). Although distinct from payment by results mechanisms, such investment vehicles also serve to constitute risk in terms of the failure to realise a return on investment, and then distribute that risk away from the state to provider and private investors.

These funding relationships drive important effects on the organizational morphology of supply within the emergent youth sector. The sector is notably marked by greater organisational hybridity, as the supply of capital as investment promotes ‘social enterprise’ organisations that can combine earned income from service provision with investment income as well as more traditional forms of contracting and funding, and whose directors can be paid. The NCS Trust is a prominent example. There are also a growing number ‘mutuals’ in youth services (Offord 2016b), created by ‘spinning out’ (Cabinet Office 2012a) all or part of public sector youth services into employee-owned organisations, that may be constituted as ‘profit-making businesses, which operate for primarily commercial objectives’ (Cabinet Office 2010, 5). As well as effects on the form of individual organisations, changes to funding have also driven relationships between them. These include formal mergers and consortia that allow the pooling of capital and sharing of financial risk, as well as looser forms of collaboration based on notions of ‘collective impact’ (Centre for Youth Impact 2016a, Collaboration for Impact 2016) that mirror developments elsewhere in education (Olmedo 2013, Olmedo, Bailey, and Ball 2013).
The growing financial value of social outcomes has further led to changing evaluative techniques and a growing ‘datafication’ (Roberts-Holmes and Bradbury 2016) associated with evidencing return on investment. In contrast to the effects of quasi-marketisation on practice, this involves a reduced emphasis on targeting pre-categorised groups of young people and on measures of:

‘the tangible and concrete aspects of [youth provision]: indicators such as number of accredited qualifications achieved, numbers of hours of services provided, or attendance for example…[These] recognised outputs…are often poor at capturing the true value of services’ (McNeil, Reeder, and Rich 2012, 9).

Instead, facilitated by the proliferation of toolkits for impact assessment noted above, young people’s bodies and behaviours are reconstituted as sites for data production in youth projects that function as centres of calculation of impact, expressed in statistical terms and as a financial return on investment. These toolkits are often based on theories of change that deploy measures of young people’s attitudes, emotions, psychological capacities, social networks, and overall well-being as signifiers of valuable impact on ‘positive life outcomes, including educational attainment, employment and health’ (McNeil, Reeder, and Rich 2012, 4). Youth provision is driven towards tightly organised, fixed-term interventions, based on these externally imposed aims and targets. This time in continuity with prior neoliberal reforms, this organisation of youth provision in short-term interventions mitigates against open-ended provision, and has been linked to a casualisation of the workforce (de St Croix 2016).

The NCS again provides a notable illustration of these trends, consisting of a fixed-term, structured intervention lasting just a few weeks, that engages young people in preparation for, planning and carrying out ‘social action’ in a community setting. Youth social action is a notable example of a long tradition of youth provision that is rearticulated in terms of social investment and impact, as it ‘boosts’ young people’s
‘empathy…cooperation…[leading to improved] employability by making them stronger candidates in interviews’ (Centre for Youth Impact 2016b, see also Kirkman et al. 2016). While the NCS is voluntary with its notion of service bound up with local ‘civil society’, it citing the tradition of military service in a rhetorical appeal to universal duty to nation and fellow citizen, combined with individualistic concerns with personal well-being and skills development (Mycock and Tonge 2011). The aims of the NCS programme revolve around the production of the citizen who is more capable and inclined to take individual and collective action (Bacon, Frankel, and Faulks 2013); this is the compliant citizen of ‘practices’ and ‘habits’ (Mills and Waite 2017, 70) the production of whom constitutes value within the late neoliberal regime. The NCS evaluation methodology measures ‘impact’ in terms of ‘distance travelled’ and by comparison to population-wide indicators on leadership, social action or volunteering, and ‘aspirations and sense of control over their future…resilience…and wellbeing’ (Cameron et al. 2017, 27). These impacts are expressed in monetary terms as a financial yield in relation to cost, with respect to the direct value of social action during the weeks of the NCS programme and longer term outcomes based on an underlying theory of change. For example, impacts on ‘leadership’ skills are statistically expressed. Then, based on ‘[a] US study has demonstrated that leadership skills…can have long-term effects on the earnings of individuals’, the value of the impacts on leadership skills is calculated at between £84.8M and £153.5M in the lifetime earnings of participants. Similar calculations of the financial value of long-term health benefits and increases in volunteering are also performed.

**Conclusion**
A new youth sector assemblage is emerging under the late neoliberal regime, central to which is a finance capital imaginary. The language of austerity that has framed many
accounts of public policy since the financial crisis, including education policy, gives little scope to account for the productivity of neoliberal policy since the financial crisis. I show how in this phase, late neoliberal policy making has constituted forces of reform, of disassembly and reassembly, of UK youth services through the reconstitution and redistribution of capital, policy texts and imaginaries, and organizational forms and practices.

Where neoliberalism had used the (quasi-)market for the efficient allocation of capital to services providing outputs, late neoliberalism establishes a futures market trading in outcomes. Where neoliberalism saw every £X purchasing a quantity of youth services places, late neoliberalism claims that every £X invested nets a return of £Y in the long run. The neoliberal regime had reduced the service of young people, like so much educational provision, to the production of a commodity to be consumed. Late neoliberalism reimagines commodity production as the creation of opportunities to invest. Where the quasi-market constituted the local offer with the young person as individual consumer, local authority as purchaser, and youth service as provider, late neoliberalism constitutes the outcome variable, its correlative impact variables, and an actuarial calculation of the value of impact in monetary terms.

In these austere times government no longer purchases, but invests; either directly or by stimulating private investment in services by promising a return as a fraction of the financial value of the impact on outcomes. Successful service delivery is increasingly that which can attract investment by constituting a credible relationship between service provision, impact on outcomes, and cost to the state in terms of services or welfare. These are the conditions of the emergence of a late neoliberal youth sector assemblage.
References


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Figure 1. Chart showing the levels of statutory funding distributed to local authorities for youth services between 2003/4 and 2007/8.

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\(^i\) I refer specifically to England as, while austerity policy can reasonably be understood to apply to the UK as a whole, policy and regulation regarding youth services is, to a significant degree, devolved to the parliaments of individual nations.
These numbers are deliberately left unspecified as the methodology used, while providing a useful sense of the scale and rapidity of change, cannot provide specific numbers. First, the survey is based on survey responses by local authorities. A large number of authorities responded, but not all. As I explained late, given large and growing geographic variations in spending on youth services, it is not entirely safe to generalise from this sample to a wider population. Further, it is not clear if what is being referred to as youth service spending is consistent with definitions used in prior years.

This preference for targeted over even a consumer-oriented open-access ‘local offer’ is a pattern replicated in the cuts to children’s services (NCB 2015), suggesting a wider pattern of reform in late-neoliberal regulation.