

# Hospitality – a nationwide answer to the youth employment challenge?

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When we talk about ‘getting on in life’ in our society, discussions often turn to white-collar professions that, for the past 75 years, have fit a particular criterion in Britain of what is deemed aspirational. But within that discussion, a measurement of success has developed that underestimates and demeans industries that, while not always as rigorous in qualifications and requirements, can equally – or even more so – deliver what is deemed as success.

The hospitality sector, of which I am a proud 30-year alumnus, suffers more than most from what could be called ‘low-skilled stigma’. This stigma has not been helped by successive governments, whose focus has largely remained on pursuing academic potential as opposed to vocational pathways. I am incredibly proud of the upward social mobility created by the 50 per cent university target achieved by the Labour government of 1997-2010, but I fear it also contributed to low-skill stigma and negative perceptions around vocational education.

This government has a unique chance to reset our relationship with what we deem successful career paths, and hospitality offers a real opportunity within this. We can offer young people what is often barrier-free, quick progression and employment in areas outside the traditional power bases of London, Manchester and Birmingham. However, this can only be achieved through policies that cut across government and actively support and incentivise the industry.

## **Barriers? What barriers?**

For most white-collar professions, to stand any chance of success in entering the industry, a ‘foot in the door’ is often required, typically in the form of connections, networking, or internships. A poll of more than 1,200 graduates last year showed that over half had completed an internship, but only 36 per cent of them

came from working-class backgrounds, compared to 55 per cent from middle-class backgrounds.<sup>1</sup>

This is where the power of the hospitality sector comes into play. The Social Productivity Index released last year by UKHospitality showed hospitality ranked first in careers accessible without a degree and second highest in the proportion of non-graduate managers.<sup>2</sup> Not only does it offer a route into our economy that is less convoluted, but it also gives young workers the opportunity to climb the career ladder in a manner not dictated by luck or connections but by genuine meritocracy – based on experience, hard work, and ability – while also challenging the preconception that degree equals career success. In doing so, it supports the cultural mindset shift crucial to this aim.

The term ‘everywhere economy’ is far from new, used by Whitehall and the political class for years, but it has often lacked substance. The most notable example in recent times was Boris Johnson’s levelling-up agenda. However, this failure cannot be attributed solely to Westminster but also to a private sector that too rarely moves beyond its traditional power bases in the three biggest cities. Analysis by the Centre for Cities finds that around 40 per cent of high-skilled jobs are concentrated in London and the South East, while productivity in London remains around 30-35 per cent above the UK average, according to the Office for National Statistics.<sup>3</sup> For young people in rural and coastal communities, this often leads to the conclusion that they must leave the places they call home.

Meanwhile, hospitality truly is the ‘everywhere economy’, being a top five employer in every region of the UK.<sup>4</sup> In coastal and rural economies in particular, hospitality can account for up to 20 per cent of local employment, highlighting its role as one of the most geographically distributed sectors in the UK.<sup>5</sup> For areas that have suffered the disappearance of once-dominant industries, it offers – while different – the chance to thrive and progress while remaining in a local setting.

## **Condition creating**

As positive as all this sounds, the key is how we create the conditions in which the hospitality sector is seen in the same manner as white-collar careers.

The reality is that, for a sector already struggling, there is no specific incentivisation for employers to hire young people in large numbers, particularly on a long-term basis. This is despite the sector employing over 3.5 million people (around one in ten UK jobs) and continuing to face vacancy rates above the national average.<sup>6</sup>

During the Covid-19 pandemic, the impact of a VAT reduction for hospitality was clear, with the temporary cut from 20 per cent to 5 per cent (later 12.5 per cent) supporting an estimated 2.4 million jobs.<sup>7</sup> A lower VAT rate would encourage entrepreneurs and the opening of new businesses, helping to revitalise high streets – where around 14 per cent of retail units are currently vacant – and stimulate growth, creating space for higher employment rates.

Additionally, we could look back to the pandemic for innovative methods of support. The success of Eat Out to Help Out was undeniable, with over 160 million meals claimed and up to £1.8 billion in economic activity generated.<sup>8</sup> This could serve as inspiration for giving the sector a launchpad for professionalisation, potentially targeted at areas that clearly need a boost.

Looking at education, the key priority must be professionalisation. However, perception remains a barrier, with only around one in five parents recommending hospitality as a career due to concerns around progression and stability.<sup>9</sup> One initiative could be a skills passport, offering modular qualifications that are easily transferable across sectors, aligning with evidence that portable vocational skills improve long-term mobility. Another step for Government could be adopting the Social Productivity Index, particularly in the context of the UK's productivity gap – where output per hour remains around 15 per cent below the G7 average – which, if implemented effectively, could have significant implications for both policy and public understanding of value.<sup>10</sup>

Both options would complement, not detract from, already welcome initiatives such as the Youth Guarantee, the aim for two-thirds of young people to be in an apprenticeship or higher education, and foundational apprenticeships. Now more than ever, young people are entering a jobs market defined by insecurity and rapid change. Around one in three workers are now in non-standard forms of employment. A job that exists today may not exist in five years' time. This demands a serious rethinking of our economic priorities and the sectors we choose to invest in. If we are to build a more resilient and inclusive economy, hospitality must be recognised not as an afterthought but as a cornerstone – capable of providing opportunity, skills, and sustainable careers for the next generation and beyond.

*Andrew Ranger has been the Labour MP for Wrexham since 2024.*

## Notes

1. Erica Holt-White and Carl Cullinane, 'Unpaid and underpaid internships', [www.suttontrust.com](http://www.suttontrust.com), 23 January 2025.

2. UKHospitality, 'The Social Productivity Index', [www.ukhospitality.org.uk](http://www.ukhospitality.org.uk), March 2025.
3. Centre for Cities, 'Cities Outlook 2024', [www.centreforcities.org](http://www.centreforcities.org), 22 January 2024.
4. Ignite Economics, *The Economic Contribution of the UK Hospitality Industry*, UKHospitality, 2023.
5. Office for National Statistics, 'Regional and subregional labour productivity, UK: 2023', [www.ons.gov.uk](http://www.ons.gov.uk), 19 June 2025.
6. *The Opportunity Index: Education and Social Mobility Across the UK*, Sutton Trust, 2023.
7. *Labour Market Statistics*, Office for National Statistics, 2024-2025.
8. *Eat Out to Help Out Analysis*, Institute for Fiscal Studies, 2021.
9. *Workforce and Sector Reports*, UKHospitality, 2023-2025.
10. *Retail Vacancy Data*, Local Data Company, 2024.