

## CHAPTER 2

### SKILLS AND EDUCATION FOR YOUTH EMPLOYMENT IN SCOTLAND: A CRITICAL DISCUSSION

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#### *1. Introduction*

Issues surrounding youth employment have become the focus of attention for policymakers across Europe and Scotland is no different. In line with their contemporaries, policymakers in Scotland and the UK have focused upon the need to ensure that young workers are adequately skilled to gain opportunities within today's labour markets and have therefore engaged in a number of programmes and initiatives designed to ensure that young workers are 'job ready'. This approach, whilst understandable, nevertheless requires greater scrutiny due to the risk of an imbalanced approach to youth employment which valorizes 'supply-side issues' such as skills, training and qualifications over 'demand-side issues' such as job creation strategies and the development of better quality employment. This chapter focuses on efforts in Scotland and asks whether a more integrated, balanced approach to youth employment issues may be possible.

#### *2. Policy Context*

The analysis of measures taken to address youth employment issues meets a policy landscape in flux when focusing upon the Scottish context. At the time of writing policymakers in Scotland are still coming to terms with the aftermath of the independence referendum and the debate surrounding which level of governance should preside over key policy areas remains open and fractious. Nevertheless, despite the transformed political landscape, the issues confronting young people in Scotland do not differ substantially from elsewhere in the United Kingdom, or indeed from those issues experienced by their peers in other European countries.

A starting point for our analysis is the context within which employment issues are tackled and it is crucial to acknowledge immediately the complexity and blurred lines which exists when discussing the impact of policy upon the support available to young people and the discourses that

affect the debate surrounding potential solutions to youth employment issues. An indication of this complexity emerges from the constitutional settlement currently in place for Scotland which sees responsibility for skills and employability devolved to the Scottish Parliament but primary responsibility for employment policy and welfare reserved to Westminster. Therefore a thorough analysis of the measures being implemented in Scotland in order to address youth employment issues cannot be fully dislocated from the United Kingdom policy context which, following Thatcherism and subsequent neoliberal policies, has led to a labour market environment which Jessop (2003: 10-11) describes as follows.

- i. Deindustrialization, with a consequent weakening of the strongest and most militant trade unions.
- ii. Legislation directed at trade unions' capacity to engage in strike action and collective bargaining, and to represent their members in other respects.
- iii. General de-legitimization of corporatism and tripartism as means of co-making and co-implementing economic, social and political policy.
- iv. Flexibilization and de-regulation of labour markets.
- v. Development of neo-liberal 'welfare-to-work' strategies.

Indeed in an analysis of the policies of the current UK Government, a coalition of the Conservatives and centrist Liberal Democrats, Newman (2011) asserts that unless there is a refocus on demand side issues, particularly employment security, low wages and lack of opportunities for progression, then work will fail to offer the unemployed the sustainable route out of poverty that is so often claimed by policymakers. The consequences of failing to address demand side issues are therefore central to Newman's portent conclusion that «poverty wages are becoming as much a problem as unemployment; that tackling the supply side of the labour market through active labour market policies without linking this to the demand for jobs results in deadweight and displacement» (2011: 103).

Nevertheless, the focus on supply side issues in UK employment policymaking has been identified for some time. Jessop (1994) finds that the globalized nature of the latter era of Fordism along with the emphasis of post-Fordism on flexible production processes has resulted in state prioritisation of supply-side issues such as global competition and recasting the welfare state towards greater labour flexibility. He concludes that the British state is not acquiring the features of a post-Fordist welfare state, rather it is moving from flawed Fordism to flawed post-Fordism, with negative economic consequences and a transition «from a defective KWS [Keynesian Welfare State] to an ineffective SWS [Schumpeterian Workfare State]» (Jessop 1994: 34). Thus young people confronted with employment issues in Scotland find themselves enmeshed in a UK labour

market policy context shaped by successive neoliberal policy interventions which have resulted in «the replacement of a “maternalistic” welfare state with a “paternalistic” punitive state» (Wacquant, 1999: 335). This has included the transfer of policies and from the United States (Dolowitz, 1997) leading to the discourses concerning employment issues shifting away from being centred upon demand side deficiencies to a debate focused upon the supposed deficiencies of the individual worker and often the young worker in particular.

One possible consequence of the current devolved settlement in Scotland has been the development of a lopsided approach to addressing youth employment issues due to a constitutionally ingrained emphasis on employability at the expense of a mutually reinforcing range of complementary measures in the areas of employment and welfare policy. The energy expended by the Scottish Government on employability has sought to resolve both real and perceived issues whilst simultaneously demonstrating to the Scottish electorate the effectiveness of their devolved administration. The result of this approach has been a heightened emphasis on supply side issues. As a consequence, should further devolution be enacted or an independent Scotland eventually emerge, the legacy of the current devolution settlement may prove to be a major impediment towards rebalancing employment policy in a way that recognises the importance of demand side issues.

The difficulties associated with the blurring of competences of these closely related policy areas have been raised by an influential report from the Commission on the Future Delivery of Public Services (or the ‘Christie Report’) which recommends as a remedy, «the full devolution of competence for job search and support to the Scottish Parliament to achieve the integration of service provision in the area of employability» (2011: 58). One of the consequences of this complexity is that although there may be expressions of desired policy divergence from the Scottish Government in relation to employment and welfare policies pursued by the UK Government, these expressions remain largely rhetorical given the lack of competency which exists in the Scottish Parliament over these matters.

Indeed, even if competency for such policy areas is realised in the next few years via further devolution or independence, the capacity of the current or any future Scottish Government to pursue significantly different approaches to youth employment issues could be curtailed by the legacy of previous policies enacted at a UK level. This landscape is changing fast and following the independence referendum there has been a promise of more powers to Scotland, via the ‘Smith Commission’ the recommendations of which, if implemented, will involve a further re-configuration of this complex policy environment in which policymakers are attempting to grapple with a range of youth employment issues which have scarred a number of communities across Scotland for decades.

## *2.1 Labour Markets in Scotland*

Scotland shares many European countries specific youth employment issues: for example, young people are likely to be more exposed to unemployment than their older compatriots; young people from ethnic minorities, young people with disabilities and those with low educational qualifications are more likely to be unemployed than, respectively, white Scots, able bodied young people, and those young people with higher educational achievements. Therefore, as with other European countries, unemployment is not equally distributed, instead its impact has been more severe in specific local areas which have experienced at least two decades of deprivation and underdevelopment.

Many communities across Scotland are still dealing with the ramifications of shifting from a labour market centred around heavy industry to one focused upon other sectors. Those heavily industrialised sectors that once employed large number of workers, such as in the manufacturing industry, have drastically diminished in their capacity to provide employment, whilst other sectors, such as social care or health, have increased their potential, although they still remain far below the capacity of what used to be traditional sectors in offering employment opportunities. This legacy of deindustrialization has contributed towards a lack of security and crises of occupational identity which are now the inheritance of Scotland's young workforce.

To tackle these youth employment issues, the Scottish Government has formulated and implemented a dedicated 'youth employment strategy' which focuses upon: modern apprenticeships to ease transition from school to work; the involvement of private and public actors, including the voluntary sector, in the creation of training opportunities; making youth employment a cross-cutting priority in overall Governmental activities; reforming the post-16 education system; and continuing with the 'no tuition fees' policy for Scottish students in higher education. Furthermore, a recently published strategy now includes a commitment of «reducing 2014 levels of youth unemployment by 40 per cent by 2021» (Scottish Government, 2014a: III) amongst a number of other 'key performance indicators' for that same year, ranging from targets to increase the number of school leavers with vocational qualifications to the objective of being one of the top five performing countries in the EU for youth unemployment. Despite these existing measures and their strategic objectives, critics of the Scottish Government point out that the strategy's decision to focus so heavily upon unemployment neglects the multiple problems arising from precarity and underemployment (where workers would work more hours if it was possible) which characterize contemporary labour markets for young people in Scotland as well as many other European countries.

Concerns over the increasing levels of insecure work being experienced by workers in Scotland have been expressed in a recent report on underemployment by the Scottish Parliament's Economy, Energy and Tourism Committee. The report highlights that women and young people in particular are experiencing increasingly high rates of underemployment and concludes that, «the Committee is particularly concerned by the higher levels of underemployment experienced by young people. Not only does underemployment inhibit young people's capacity to be independent, but it has a long-term effect on employment prospects» (Economy, Energy and Tourism Committee-EETC, 2013: 17).

Indeed, recent figures from the Office of National Statistics, which reveal that one in five 16–24 year olds in the UK are underemployed, more than double the figures for any other age group, reinforces the point that underemployment is a problem skewed heavily towards younger workers. Nevertheless despite these concerns, the youth employment strategy in Scotland does not yet seem to have fully absorbed the impact of these factors on the lives of young workers.

## *2.2 Youth Unemployment in Scotland: Figures and Trends*

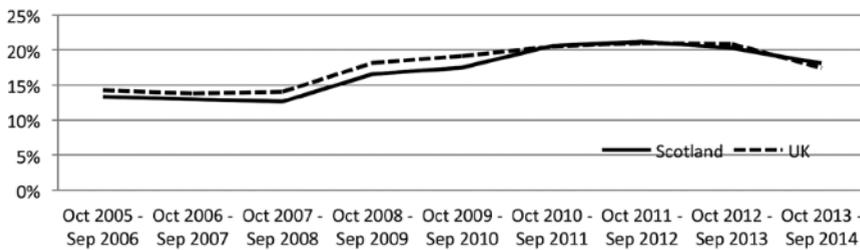
Scotland has not been immune from the international economic and financial crisis that has hit the global economy from 2008 onwards. In fact, since the beginning of the downturn in early 2008 the number of youth (16–24 years old) being jobless rose from 49,000 to a peak of 113,000 reached in the summer 2011 (The Scottish Government 2012: 3). Youth unemployment figures have since then remained at a medium level, e.g. in the period April 2011 to March 2012 the number of young unemployed was 88,000 while in the last available figures (September 2014) they were 70,000 (Office for National Statistics, 2014). In terms of percentage points, in the period July 2013 to June 2014 Scotland had an ILO youth unemployment rate of 19.8%, slightly higher than the UK rate of 18.6%<sup>1</sup>. Figures 1 and 2 provide an overview of youth unemployment and employment rates for Scotland and the UK from October 2005 until September 2014.

Figure 1 shows how unemployment has started increasing since 2008 and has only begun decreasing in March 2012 with the partial recovery

<sup>1</sup> These data refers to the Annual Population Survey (APS), whereas another source, the Labour Force Survey (LFS) provides slightly better results for Scotland as it estimates that in December 2014 Scotland had a youth unemployment rate of 15.9% (while the UK was at 17.6%). According to LFS data, the unemployment rate in Scotland decreased by 5.1% over the last year (compared to a decrease of the 3.9% in the UK). However, we prefer using the APS as a primary source of reference here because it is considered a more reliable source for employment/unemployment data due to its larger sample size and the fact that it's not affected by seasonality.

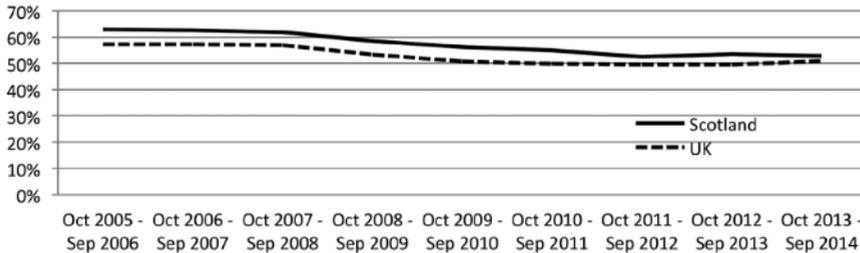
of the Scottish and global economy. Figure 2 shows the declining employment rate effect of the crisis which has not yet reversed its trend. Table 1 reveals that the legacy of deindustrialization becomes ever clearer when looking at the figures for the ‘claimant count’ by local authority area which demonstrate higher proportions of 16–24 year olds claiming out of work benefits in those former heavily industrialised areas such as the former coal mining communities in Ayrshire and as well as the Clydeside areas which used to be renowned for shipbuilding such as West Dumbartonshire.

Figure 1 – Youth unemployment rate (Scotland and the UK).



Source: Annual Population Survey, ONS (Scottish Government Labour Market Briefing – Jan 2015)

Figure 2 – Youth employment rate (Scotland and the UK).



Source: Annual Population Survey, ONS (Scottish Government Labour Market Briefing – Jan 2015)

Moreover, the declining rate of youth employment is also due to more young people having opted to remain in full time education, many of whom will be hoping for a recovery of the economy in the near future. In fact, in the period 2009–2014 the proportion of young people aged 16–24 engaged in full time education has grown from 40% to 45% (Office for National Statistics–ONS, 2014). Analysis by MacDonald (2011) of the labour market experiences of young people in the UK highlights

Table 1 – Claimant Count levels for 16-24 age group by local authority (Dec. 2014).

	Level		Rate	
	December 2014	Change on year	December 2014	Change on year (%pts)
<b>Scotland</b>	<b>17,790</b>	<b>-8,830</b>	<b>2.8</b>	<b>-1.5</b>
<i>Local Authority Area</i>				
Aberdeen City	250	-190	0.7	-0.6
Aberdeenshire	190	-125	0.7	-0.5
Angus	350	-90	3.0	-0.8
Argyll & Bute	225	-110	2.5	-1.3
Clackmannanshire	260	-165	4.8	-3.2
Dumfries & Galloway	405	-270	2.8	-1.9
Dundee City	755	-275	3.1	-1.2
East Ayrshire	690	-335	5.2	-2.5
East Dunbartonshire	205	-80	1.8	-0.7
East Lothian	315	-160	2.9	-1.5
East Renfrewshire	150	-105	1.5	-1.0
Edinburgh, City of	1,165	-655	1.7	-0.9
Eilean Siar	50	-20	2.0	-0.9
Falkirk	550	-380	3.4	-2.3
Fife	1,405	-645	3.3	-1.5
Glasgow City	3,090	-1,090	3.6	-1.3
Highland	360	-235	1.6	-1.1
Inverclyde	350	-5	3.9	-0.1
Midlothian	260	-220	2.9	-2.5
Moray	190	-75	1.9	-0.7
North Ayrshire	755	-360	5.1	-2.4
North Lanarkshire	1,595	-750	4.2	-2.0
Orkney Islands	20	-15	0.8	-0.8
Perth & Kinross	280	-165	1.9	-1.1
Renfrewshire	590	-495	3.1	-2.6
Scottish Borders	300	-160	2.9	-1.5
Shetland Islands	15	-15	0.6	-0.6
South Ayrshire	430	-240	3.8	-2.2
South Lanarkshire	1,280	-625	3.9	-1.9
Stirling	250	-155	1.9	-1.2
West Dunbartonshire	520	-265	5.1	-2.6
West Lothian	540	-355	2.8	-1.9

Source: Claimant count (NOMIS), ONS (Scottish Government Labour Market Briefing – Jan 2015)

similarities between the contemporary experiences of young people in higher education and research examining youth unemployment in the 1980s (Roberts and Parsell, 1992) which suggests that the true extent of the problems young people were confronting at that time were being hidden through youth training initiatives, leading MacDonald to ask if the same assessment can be made of the expansion of higher education, which may help contextualize the increased numbers of young people continuing in full time education in Scotland.

### 3. Youth Employment Initiatives in Scotland<sup>2</sup>

Initiatives to tackle youth employment issues are operated in Scotland at different levels of governance. One example are local authorities who are given responsibility to promote youth employment at a local level through ‘local employability partnerships’ which have the task of not only enabling the matching between local employers’ needs and ready to work youth, but also serve to provide opportunities which are not yet offered by the policymakers in the Scottish and UK governments. Local authorities have also been working in partnership with the Scottish Government in delivering the Youth Employment Scotland Fund, a programme which provides incentives (including wage subsidies) to employers to recruit young workers. At another level of governance is the Youth Contract and the Work Programme which were put in place by the UK Government in April 2012 with the aim of offering work experience to young people. The Scottish Government have called for responsibility for such initiatives to be fully devolved to Scotland, arguing that these would be better implemented if integrated with existing services (Scottish Government, 2012), whilst raising concerns that work experience needs to be meaningful and lead to employment.

The commitment of the Scottish Government in creating employment opportunities for young people is realized by adopting a cross-sector or cross-policy strategy. Scotland has a variety of different local contexts with specific needs and problems in terms of employment. Although urban areas suffer from the higher percentages of youth unemployment, rural regions are hardly immune from youth employment issues. Indeed, as in many other countries, young people living in rural areas are pulled to-

<sup>2</sup> This section draws upon two key documents; Scottish Government, 2012, *Action for Jobs – Supporting Young Scots Into Work: Scotland’s Youth Employment Strategy*, <http://www.gov.scot/Publications/2012/06/9210> (03/2015); Scottish Government, 2014a, *Developing the Young Workforce, Scotland’s Youth Employment Strategy: Implementing the Recommendations of the Commission for Developing Scotland’s Young Workforce*, <http://www.gov.scot/Resource/0046/00466386.pdf> (03/2015).

wards urban centres with the hope of finding employment, which serves to increase the pressure on urban labour markets which are already incapable of absorbing local needs.

The Scottish Government have therefore focused upon creating employment opportunities in rural areas in particular through developing low carbon economy initiatives and supporting the renewables industry through initiatives such as the Energy Skills Investment Plan which creates training opportunities for young people to enter the industry. At the same time, the Scottish Government has maintained its incentives for potential employment in traditionally job creating sectors in rural areas such as oil and gas but also food, drink and farming.

As is the case with many other governments, the Scottish Government uses its resources for public sector procurement to create jobs. For example, in some of these investments in infrastructure, this has involved the use of 'community benefit clauses' to enable a proportion of the jobs being created to be allocated towards recruiting and training young people and requesting that those fulfilling public service contracts produce plans for training and apprenticeships. Moreover, the Scottish Government has also introduced a Sustainable Procurement Bill involving the systematic use of community benefit clauses within public procurement which target job creation towards young people. The Scottish Government's agencies and public bodies have also been encouraged to implement policies which advance the employability of young people either through the direct creation of jobs or apprenticeships or offering work experience. All Government bodies are required to support the youth employment agenda, these include the National Health Service (NHS) in Scotland, cultural and heritage organizations which are in receipt of public funding such as Historic Scotland, National Records of Scotland and Creative Scotland as well as legacy projects emanating from the hosting of large sporting events such as the Commonwealth Games and Ryder Cup. Indeed, even money recovered by the Scottish legal system through the Proceeds of Crime Act 2002 is directed towards the youth employment agenda via the 'Cashback for Communities' programme.

### *3.1 Enhancing Support for Young People*

The youth employment agenda in Scotland has become increasingly focused upon young people who are still at school. The Scottish Government's flagship education programme, Curriculum for Excellence, has emphasised the inclusion of employers at this level of education in order to focus learning upon those areas which will enhance the employability of young people. For those young people who are 16-19 year olds, the Scottish Government has since April 2012 operated the 'Opportunities for All' programme which focuses upon those in that age group

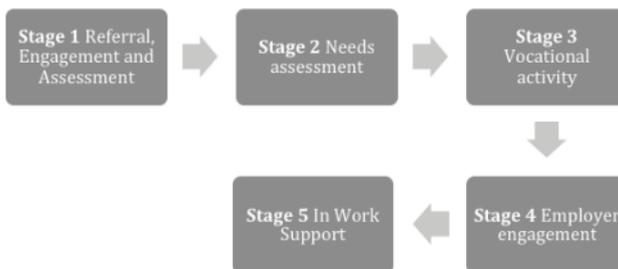
who are not in work, education nor training and as such are at greatest risk of becoming long term unemployed. The programme commits to providing a place for young people in learning and training to keep them ‘employable’. Moreover, in terms of the method of training and employability, the Scottish Government have intensified their focus on the role of apprenticeships.

Of particular importance to the Scottish Government has been, and continues to be, an emphasis on ‘Modern Apprenticeships’. Indeed, strategic plans now exist for the expansion of apprenticeships over the course of the next few years (Scottish Government, 2014b), plans which include foundational apprenticeships in schools, targets to increase the uptake of apprenticeships amongst young women and young people who are from ethnic minority backgrounds, the establishment of a Modern Apprenticeship Supervisory Board to enhance the matching of skills with available employment and a ‘pre-apprenticeship’ pilot programme aimed at those furthest from the labour market. The task of differentiating between those young people who require varied types of support does present some challenges and this is where stakeholders across a range of sectors in Scotland rely upon the ‘skills and employability pipeline’ in order to provide a reference point to coordinate approaches and identify the needs of young people.

### 3.2 The Skills and Employability Pipeline

The skills and employability pipeline in Scotland is organized across five stages (summarised in Figure 3). Although there is flexibility regarding the progression of individuals across the pipeline and also concerning the stage at which young people enter or leave it, the Scottish Government and its partners consider this ‘pipeline’ approach to be a useful model to tackle youth employment issues. The varied support available across the pipeline begins from supporting those who are assessed to not yet be ‘job ready’ to assistance that is offered whilst in employment. The support offered to young people is provided by a number of agencies including the Scottish Government’s agency, Skills Development Scotland.

Figure 3 – The Skills and Employability Pipeline.



Those young people who are furthest from engagement with the labour market and who are thus deemed to not yet be ‘job ready’ are the focus of Stage 1 which focuses upon changing attitudes and outreach activities. Stage 2 seeks to identify barriers to employment and may entail financial advice, mentoring and careers advice. For those young people who are assessed as being ‘job ready’, Stage 3 of the pipeline offers opportunities for work experience, volunteering as well as employability training which is validated through the ‘Certificate of Work Readiness’. At Stage 4 of the pipeline, the focus is on matching job-ready young people with employment opportunities and offering support to young people considering self-employment.

For those young people who are in work, assistance is also provided by Stage 5 in areas such as advice on occupational health, job retention and redundancy support. Of course, this type of support can only be effectively delivered with the active participation of the employer and the Modern Apprenticeship programme occupies a core place in this stage of the pipeline. The pipeline therefore highlights the wide range of initiatives aimed at improving the employability of young people in Scotland who are confronting a variety of barriers. These initiatives are either delivered by or involve the engagement of a similarly wide range of agencies and sectors, therefore to better understand how this is operationalised we can look more closely at one particular strand: the role of the third sector and social enterprise.

### *3.3 The Third Sector, Social Enterprise and Employability in Scotland*

One characteristic of the complex landscape of employability support in Scotland is the prominence of the third sector and social enterprise in the delivery of services and in providing placement and training opportunities. Indeed, such is the proliferation of these organizations engaged in the field of employment that mapping them and their support organizations is beyond the scope of this chapter. What is clear however is that the involvement of these organizations has been an objective of different parties of government in the Scottish Parliament since the onset of devolution in Scotland and the current administration has been consistent with this trend asserting that, «the third sector is key to the Scottish Government’s response to rising youth unemployment and very well placed to work with young people at all stages of their journey into employment» (Scottish Government, 2012: 11). A core example of this partnership is the Community Jobs Scotland programme.

Community Jobs Scotland (CJS) is a youth employment initiative funded by the Scottish Government and coordinated by the Scottish Council for Voluntary Organisations (SCVO). It is now entering its fourth phase and provides up to £5000 of funding for each job created by an

employer to assist with wages, national insurance contributions, training and support. Young people engaged in the programme are equipped with new skills and many have moved into employment where before they had none, as Table 2 displaying the results of evaluations from Phase 1 and Phase 2 demonstrates:

Table 2 – Community Jobs Scotland (CJS).

CJS Phase 1 (2011/2012)	CJS Phase 2 (2012/2013)
40% entered employment	39% entered employment
4% entered further education or training	9% entered further education or training
7% engaged in volunteering	6% engaged in volunteering
43% returned to unemployment	27% returned to unemployment
Destinations of 6% were unknown	Destinations of 19% were unknown

Sources: McTier, Clelland, McGregor (2012); McTier, McGregor (2013)

Given the statistics from Table 2, the Community Jobs Scotland programme has clearly been achieving some success and has provided a number of young people with opportunities for employment which were non-existent before the programme was implemented. Nevertheless, one of the immediate issues which the CJS programme raises is the minimum number of hours worked. Although the evaluations reveal that some employers had indeed offered further hours to CJS participants, this did not extend to all (McTier, Clelland, McGregor, 2012; McTier, McGregor, 2013). Given the pernicious effects that precarity and underemployment can have upon young people, the fact that third sector and social enterprise organizations are now engaged in programmes which come with this insecurity 'built-in', begs the question of whether or not such initiatives serve to normalize insecurity and simultaneously contribute towards entrenching some of the most pressing contemporary youth employment issues.

The fundamental structure of the jobs which are created via CJS underlines the degree to which third sector and social enterprise organizations have accepted rather than challenged those processes which result in young people finding themselves in a «low pay, no pay cycle» (Shildrick *et al.*, 2012). Indeed, this lack of awareness towards precarious employment patterns becomes apparent in the evaluations of CJS. For example, in the evaluation of Phase 1 it is revealed that when young people were asked to rate the support that they received, the lowest rating recorded was for support to find another job, in fact 20% of young people reported that no support was made available by the CJS employer to find another job (McTier, Clelland, McGregor, 2012). Perhaps more worryingly, the feedback received from young people engaged in Phase 2 of CJS revealed similar dissatisfaction with such support but this time 40%

of young people reported receiving no help from their CJS employer in finding another job (McTier, McGregor, 2013).

This lack of responsiveness to demand side issues seems surprising but less so when we consider the focus of UK level policymakers which is heavily centred upon supply side issues and a Scottish Government whose remit extends only to skills and employability, enabling rhetorical opposition but not policy divergence, meaning that many young people may fall in between the cracks which are created by increasingly insecure labour markets and a disintegrated policy approach to employment and skills.

Community Jobs Scotland is only one fragment of a larger mosaic of intense support concentrated upon the development of the employability of young people across the employability pipeline, however without similar intensity being placed upon demand side issues, the pipeline further reinforces the perception that the solution young people will benefit from most profoundly when addressing employment issues is some form of intervention to address their deficiencies in being 'ready' to enter the labour market, an approach which seems to jar with a report from the UK Commission for Employment and Skills which has concluded that, «most establishments recruiting leavers from Scottish education find them to be well prepared for work, and [...] among secondary school leavers there has been a slight upward trend over the last three surveys towards being more prepared» (UK Commission for Employment and Skills-UKCES, 2011: 13).

This is not to suggest that the Scottish Government are misguided in providing employability support for young people, on the contrary. However we must critically assess the hypothesis that in contemporary labour markets, increasingly skilled workers will make a smooth transition into secure and well paid employment.

#### *4. The Changing Nature of the Labour Market*

The enduring emphasis placed by policymakers on the skills shortages of young people attracts further scrutiny from research conducted by MacDonald (2011) indicating that the supply of highly skilled young workers is simply not being matched by demand. MacDonald makes specific reference to the promise of social mobility offered to young people through the widening of access to higher education and argues that this has in fact been met by increasing graduate unemployment and under-employment. MacDonald explains that such issues cannot be attributed to the economic crisis but instead, «rising graduate unemployment and the falling graduate premium are outcomes of longer-term structural labour market changes» (2011: 434). Comparisons are drawn by MacDonald between contemporary experiences of young people in higher

education and research examining youth unemployment in the 1980s (Roberts and Parsell, 1992) which suggests that the true extent of the problems young people were confronting were being hidden through youth training initiatives, leading MacDonald to ask if the same assessment can be made of the expansion of higher education.

If this is the case, then it is a phenomena that has witnessed significant growth in the last few decades when considering a report from the ONS revealing that the number of people in the UK aged 16 to 24 in full-time education has more than doubled over the last 30 years and the proportion of those young people undertaking work alongside full-time study has been falling since the year 2000 (Office for National Statistics–ONS, 2014). This is a trend which is quite clear in Scotland, with a significant rise since the beginning of the recession in 2008 of students who are ‘economically inactive’. In fact the only ‘economically inactive’ group larger than students in Scotland were the long term sick (Scottish Government, 2015).

These figures do not undermine the obvious necessity that young people will require education and skills training, nevertheless a more realistic reflection of young people’s contemporary experience in the labour market would perhaps best be represented by a cycle where young people gain skills which they use in the short term, but through *lack of demand*, find themselves having to retrain and once again find work. Although there is some emphasis on ‘job retention’ in the employability pipeline, there is perhaps an imbalance which highlights a failure to fully recognize the diminishing control young people have over their employment security. Indeed, critics of such supply side heavy approaches have highlighted the difficulties contemporary labour markets present to policymakers, leading some to conclude that, «a certificate in “employability” is an oxymoron. There can be no formal or static definition given the vicissitudes of a market that workers must remain adaptive to» (Cremin, 2010: 133). In defence of the approach taken by policymakers such as the Scottish Government, they could claim that they are simply trying to match young people to the demands set by employers.

Nevertheless, the conclusion reached by Cremin alerts us to the non-stop treadmill of evidence young people must now provide to employers in order to prove they are ‘job ready’. Indeed there are some comparisons to be drawn with the analysis undertaken by Guy Standing who asserts that, «today’s youth are not offered a reasonable bargain. Many enter temporary jobs that stretch well beyond what could be required to establish “employability”» (2011: 65). Moreover, Standing’s thesis contends that a new class of worker, the precariat, have now emerged as a consequence of the forces of insecurity which now characterise labour markets across the globe.

Indeed, an important dimension of the changing employment landscape in Scotland and the UK has been the proliferation of more ‘flexible’ and

precarious working conditions which condemns young people to a cycle consisting of a «longitudinal pattern of employment instability and movement between low-paid jobs and unemployment, usually accompanied by claiming of welfare benefits» (Shildrick *et al.*, 2012: 18). An accurate estimate for the number of Scots working on flexible ‘zero hour contracts’ (which provide no guaranteed working hours and few conditions) does not currently exist, however given that the employment framework which enables such contracts to proliferate remains a UK policy area, we can hypothesise with some confidence that the growth in such contracts witnessed across the UK (CIPD, 2013) has also been mirrored in Scotland.

Therefore many young Scots will have been exposed to increasingly non-standard forms of employment with lower wages than previous generations and thus find themselves «encountering a process by which less advantaged positions in the labour market are made even more precarious through various policy and regulatory processes» (Furlong and Kelly, 2005: 223). Such experiences are revealed in existing research such as a study undertaken by Furlong and Cartmel (2004) involving in-depth interviews with 32 young men across the west of Scotland who had suffered a period of long term unemployment. The researchers investigated the experiences of these young men with employers, training schemes and the help offered to them by other professionals. Their findings suggested that most of the young men could not find *secure* employment and that the main problem they were experiencing was not actually finding a job, it was escaping the cycle of precarious work and unemployment. In another piece of research, Furlong (2006) critiques the NEET (not in employment, education or training) definition of young people which has been used continuously by policymakers in Scotland, a definition which reinforces to some extent a simplistic and binary approach to the precarity young people are confronting in the labour market. Thus a more balanced approach to the employment issues with which young people are coping, should involve a more intense focus on the problem of employment insecurity which reflects the conclusion reached by Furlong that, «the growth of the precarious sector of the labour market and the increase in temporary and casual forms of employment perhaps challenges the traditional focus on unemployment as the measure par excellence of labour market disadvantage» (2006: 567).

Consequently, the ‘headline’ statistics referring to youth unemployment in Scotland may mask the equally significant labour market disadvantage of being in precarious employment which often comes with low pay and poor conditions. This then leads us to the question: how could we begin designing and implementing a more balanced approach to youth employment issues in Scotland? One potential response to this question emerges from a report published during the recent independence referendum.

The political milieu existing within Scotland as a consequence of the constitutional debate has opened up a space for some to begin discussing alternative visions for policymaking including in the world of work. One example is the Working Together review conducted by Duffy *et al.* (2013) which sets out a somewhat divergent employment policy trajectory from that pursued by policymakers at the UK level, arguing that «a slavish approach to markets will not, and cannot, produce the wholesome version of sustainable economic growth in which all citizens are given the opportunity to flourish» (2014: 12). Such conclusions perhaps indicate not only ideological divergence but also indicate the potential for a more plural era of policy learning in Scotland where the genesis of ideas is not monopolized by highly neoliberalized employment and welfare contexts such as the United States which for some time have been a source of inspiration for UK policymakers.

The Working Together review reinforces the argument that with the relevant powers at its disposal, the Scottish Parliament could construct the policymaking architecture necessary to transform the political context in which the employee/employer relationship takes place and thus create the fertile conditions for greater equality between both parties. A step in this direction may involve a new era of policy learning which shifts away from the importation of policies of sanctions and workfare from the United States and towards more democratic forms of industrial relations such as the co-operation committees in Denmark and the work councils found in Germany (Duffy, Gall, Mother, 2013). However, the incentive for either the current or any future Scottish Government to expand the pool of exemplars to be drawn upon is substantially diminished by the absence of control over employment policy and also welfare policy which can be used to counteract the more pernicious outcomes of labour markets which are characterised by low pay, underemployment and precarity and which present significant challenges for young people entering the world of work.

## 5. Conclusions

During the process of researching the labour market situation of young people in Scotland, it becomes clear that there have been a number of policy interventions across previous administrations to provide young people with the necessary skills and attributes to obtain employment. This trajectory has been continued by the current Scottish Government which has dedicated rhetoric and resources towards solving the ‘youth unemployment issue’. Their efforts in recent years have included the appointment of a dedicated Youth Employment Minister (a responsibility now absorbed by the new portfolio of the Minister for Fair Work, Skills

and Training) which coincided with the publishing of the original Youth Employment Strategy in 2012.

However, as some critics have pointed out (Cook, 2012), such a strategy does little to address another very important concern about youth employment: its changed nature. Work, in fact, has changed not only in terms of sectors of activity but also in terms of rights, entitlements, career perspectives and wages. Following a typical path of economic development at the time of globalization and post-Fordism, sectors that used to employ large number of workers, such as manufacturing, have drastically diminished in their capacity for job creation, while others, such as social care or health, have increased their potential although they remain far below the capacity of what used to be the traditional sectors. Furthermore, work has become, in Scotland as in Europe, more 'flexible' and precarious, and as a consequence, young Scots are employed more and more using non-standard forms of employment which result in lower wages and poorer conditions than those experienced by previous generations.

Therefore, in order to develop policies which effectively address youth employment issues such as low pay, underemployment or precarity, the Scottish Government would perhaps benefit from positioning these issues more centrally within its youth employment strategy. As has been highlighted by McQuaid and Lindsay, «the long-term employability of job seekers and labour market programme participants is unlikely to be improved by training schemes that only consider employers' demands for competencies specific to their own immediate-term needs» (2005: 214).

Therefore, a much greater emphasis on the needs of young workers – better pay, conditions and security could result in a more balanced strategy as the current approach leans heavily towards supply side issues and employer's needs. As we have already highlighted, this may be attributed at least in part, to the current devolution arrangements, however this does not prevent a more balanced strategy to be formulated which recognizes the critical importance of demand side issues and thus may lead to a more informed debate in terms of effective solutions to youth employment issues.

The disintegrated approach to addressing employment issues therefore presents a substantial barrier to achieving sustainable solutions and may instead simply lead to a situation where young people increase their potential employability without the available corresponding employment (Peck, Theodore, 2000). Competence over employment and welfare policy may therefore redress the imbalance which has emerged between addressing supply side and demand side issues.

However, for this rebalancing to be achieved what must also be evident alongside political power is political will. A combination of the competence over employment and welfare along with the political will to pursue alternative policies may in the long term deliver the type of

transformation outlined in reports such as the Working Together Review. Although a recent strategy published by the Scottish Government does make a brief reference to the Working Together review in respect to building better workplace relations, there is little detail provided in terms of how this is envisioned or will be operationalized. The development of a strategy which integrates supply side and demand side issues more comprehensively could provide the basis not only for a more informed debate around youth employment issues in Scotland, it may also provide the basis for the development of a more effective policymaking infrastructure which meets the needs of future generations.