Innovative Social Policies for Inclusive and Resilient Labour Markets in Europe

D3.2

Identifying Policy Innovations increasing Labour Market Resilience and Inclusion of Vulnerable Groups

Regional Report SCOTLAND - UK

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1.0 Introduction

This report on Scotland is part of the FP7-project INSPIRES. The main aim of the project is to identify and analyze innovative social and employment policies which progress inclusive and resilient labour markets in Europe. This report informs Work Package 3 which consists of the collection of data on innovative social policies across Europe. The data from Scotland is also available in the searchable database of innovations for the project. The following report provides an analysis of the context in which these innovations have been implemented as well as an assessment of relevant trends in innovation and their outcomes, based upon the data that has been collated to date. A separate synthetic report will compare the insights from Scotland with results from similar studies that have been carried out by the other partners in the INSPIRES project. The report will critically assess the impact of economic crises and austerity measures on the inclusion of vulnerable groups in the Scottish labour market. This analysis will focus on groups identified as priority groups within the INSPIRES project: young people (between 16 and 25); older workers; migrant workers and disabled workers. The report critically examines the impact of social investment approaches within a broadly social democratic approach in Scotland. In particular the report examines the degree to which multi-sectoral measures have been effective within the context of constraints created by UK wide austerity measures and welfare reforms. The impact of distinct forms of ‘new welfare’ measures within the Scottish and UK wide context will also be examined. The report identifies and examines selected measures specifically designed to enable vulnerable groups to enter, strengthen and sustain their position within the labour market.

The conceptual framework adopted in this report is consistent with the INSPIRES framework which links the inclusion of vulnerable groups within resilient labour markets to institutional regimes of labour market regulation and employment and social policies. Using, the 2008 Financial crises as a critical incident the report identifies and evaluates the impact of national and local partnership strategies, policies and measures to adapt and recover from economic crises in Scotland.

This report consists of three sections. Section 1 provides a description and overview of the Scottish labour market within a UK context. Scotland is underpinned by a separate and independent legal, education and health system; governance and policy architecture and industrial and energy infrastructure. Distinctive approaches to social and employment policy and impacts upon policy contexts are described. Section 2 describes key trends in innovations particularly in relation to policy rationales, policy architecture, governance, and implementation within a framework of adaptive/progressive policy responses to the economic crises of 2008. Issues relating to impacts on the inclusion of vulnerable groups and labour market resilience particularly since 2008 are discussed in this section. Section Three contains a table synthesizing central aspects of selected
policy innovations: including short descriptions of all the innovations linked to trends, strategic objectives, partnership and governance and targeted groups.

The description of the policy context is informed by policy documentation, and related critical academic overviews on developments in employment and social policy in Scotland. Official policy documentation as well as Scottish Government and UK National Statistics and European statistics (Eurostat) have been analyzed as part of this process. This report also includes results from INSPIRES Work package 2 on the position of vulnerable groups within the Scottish labour market.

Section Two on policy trends and the analyses of innovative policies involves a detailed evaluation of recent reports and analysis of policy developments during the period between 2000 and 2013. Particular emphasis is placed on policy responses and adaptations to the economic crises of 2008. Areas examined include, social and education policies, and relevant subfields such as wage policy and active labour market policies and measures. In addition, policy makers, key representatives of vulnerable groups and academic experts in Scotland have been interviewed to elicit their views on key trends. The report also highlights a selection of particularly innovative policies and measures identified through documentary analysis and interviews (Section Three).

1.1 The Institutional and Policy Context in Scotland

An analysis of the Scottish institutional and policy context requires a brief overview of historical antecedents and current constitutional arrangements. Scotland is currently part of the United Kingdom and occupies one third of the geographical land mass of Great Britain. During ‘The Age of Reason’ in the late seventeenth century Scotland re-affirmed its strong links with other European Nations. The philosophical ideas and scientific advances that emerged as a result of the Scottish Enlightenment helped to extend knowledge which promoted human welfare in the modern world. The Scottish Enlightenment also brought the elevation of knowledge and political consciousness. (Hume, 1748). In 1707 the Act of Union abolished the separate Parliaments for Scotland and England, and created a single Parliament at Westminster in London. However Scotland retained many distinguishing structures and institutions, including a separate legal and education system. In 1885, the Scottish Office was established by the UK Government as a vehicle for administrative devolution for Scotland. Departments of Health; Education; Justice; Agriculture; Fisheries and Farming were coordinated by a UK Cabinet Minister with support from the Secretary of State for Scotland. In 1979 a Referendum was held on proposals to establish a Scottish Assembly, but although a small majority voted in favour the proposals did not obtain the support of 40 per cent of the electorate, which had been set as a requirement before they could be implemented.

The Scottish Constitutional Convention was instituted in 1989, comprising of representatives of civic Scotland and from some of the political parties. Proposals for a
directly elected Scottish Parliament with a range of legislative powers were among a range of measures developed by the Convention forming a basis for the 1995 report which informed the 1997 Referendum on Scottish Devolution. On 11 September 1997, 74% of people living in Scotland voted in favour of a Scottish Parliament. This led to the introduction by the UK government of The Scotland Bill, which received Royal Assent on 19 November 1998 (Scotland Act 1998). On 13th of May 1999 the Scottish Parliament was reopened. Devolution established the Scottish Parliament with responsibility for devolved matters while the UK Parliament remains responsible for 'reserved matters'. The Scottish Parliament can develop and pass both primary and secondary legislation across a range of devolved areas. The Scottish Government is the devolved administration led by a First Minister, elected by the Scottish Parliament, who appoints a Cabinet of Scottish Ministers. The 1998 Scotland Act details 'reserved matters' for which the UK Parliament retains responsibility. By definition, devolved matters on which the Parliament can legislate are all those which are not specifically reserved (with certain provisos set out in the Act). Devolved issues include: Health; Education and Training; Local Government; Social Work; Housing; Planning and Tourism, Economic Development and Financial Assistance to Industry; some aspects of Transport, including the Scottish Road Network, Bus Policy and Ports and Harbour Law and Home Affairs, including most aspects of Criminal and Civil Law, the Prosecution System and the Courts; the Police and Fire services; the Environment; Natural and Built Heritage; Agriculture, Forestry and Fishing Sport and the Arts; Statistics, Public Registers and Records.

Recent evidence has revealed that Devolution has led to a more engaged civic governance. A substantive body of research evidence suggests that Scottish devolution has also improved policy development and delivery by bringing national government much closer to local government. In particular, the Scottish Government has developed a partnership model with local government in Scotland with a clear emphasis on civic engagement within Scottish Parliamentary scrutiny. (McGregor and Swales 2013; Mooney, Scott, and Williams (2006), Keating, 2007; Keating 2010; 2010). Significantly a number of commentators have argued that devolution has brought policy and legislative capacity to deal with Scottish problems and opportunities whilst supporting better outcomes for more resilient communities (UNESCO, 2012; Clarke, 2005; Greer, 2009; McCormick, 2013)
1.1.2. The Impact of Devolution on The Policy Context in Scotland

Despite devolution, UK national state policy continues to retain major influence over employment and social policies in Scotland. In particular highly centralised fiscal, employment and social security policies have constrained successive Scottish Governments in their attempts to reduce continuing high levels of inequality in Scotland (Solidarity Purpose, 2007). Significantly, among those who are working, income inequality has risen faster in the UK as a whole than in any other OECD country since 1975. In 2010, two years following the 2008 Financial crises, the UK was the 7th most unequal country amongst 34 OECD Nations. Scotland is ranked in 18th place in this table. (OECD, 2010)

Figure 1: Net income inequality in OECD countries, 2010

![Net income inequality in OECD countries, 2010](source: OECD, 2010)

More broadly, a recent major study by the UNDP (2013) has ranked the UK as the most unequal country in the western world. Taking a range of indicators the study finds that inequality has risen sharply since 1991 and the majority of working people have had little or no wage increases in recent decades in contrast to top earners who have secured substantial increases. Of note, the average per capita increase of the poorest 20% of people in the UK is now 32% lower than the poorest 20% of people in the Netherlands and the USA (UNDP, 2013). Whilst the report links the recent acceleration in levels of inequality in the UK to severe austerity measures initiated in 2010 there is some evidence
that the depression of wage levels, weakening of bargaining powers and removal of regulations and legislation governing price controls on areas such as accommodation, transport and energy began well before the 2008 crises having been initiated in the 1980’s in the UK. (UNDP, 2013; Lawton and Pennycook, 2013). The recent sharp increase in dependency on emergency food supply parcels evidences growing levels of absolute poverty in the UK with 913,138 emergency food parcels issued in 2013 (Trussell Trust, 2014). Recent substantive evidence has underlined the damaging impact of low income and deprivation on health outcomes with a particularly harmful impact upon the developmental, socio-economic and labour market outcomes of women, children and young people (WHO, 2012; Stroud, 2010; Currie, 2011 Marmot, 2013; Hildebrand and Van Kerm, 2009).

In Scotland, whilst there has been relatively little increase in inequality across most of the distribution of income since 2008 (ONS, 2013), inequality at the outer margins of the income distribution has increased significantly in the last decade. This trend has been largely driven by an increase in part-time working (particularly in lower-paying occupations). In terms of the labour market itself, a growth in the number of higher paid jobs was accompanied by a growth in lower paid jobs with a substantial contraction of middle-wage jobs fuelling overall income inequality. (Bell, 2014; Mooney, 2013). Critically however devolution has had a positive impact on reducing income inequality across the broader distribution of incomes with virtually no increase in net income inequality as a whole in Scotland (after taxes and benefits are taken into account) since 1997. By increasing financial and social welfare transfers particularly to families with children and the elderly, successive Scottish Governments have utilised social policies to offset income inequality. Decreasing levels of relative child poverty and a higher level of overall youth employment in Scotland compared to the rest of the UK evidence positive impacts of the devolution of key policy areas. In particular, relative child poverty in Scotland has fallen at about twice the rate of England in the last 10 years, with Scotland’s child poverty rate falling by 9.9% compared to 5.7% in England.
Figure 2: Scottish poverty trends for the three child poverty indicators: Absolute poverty: Relative Poverty: Low Income and Material Deprivation Combined.

Source: Scottish Understanding Society Survey, 2013:

1.1.2.1 Devolved Policy Objectives and Drivers

The current Scottish Government aligns social and employment policies to notions of economic and labour market resilience premised upon the principle of ‘constructive advantage’. This principle is founded on the rationale that economic growth, equity and sustainability are interdependent factors. Using this rationale social and employment policies are designed to maximise value added in growth areas of the economy through the creation of high quality sustainable jobs. This approach to being competitive within a global knowledge economy runs as a central thread through current social and employment policies designed to promote longer-term resilience to economic shocks. Thus whilst the Scottish government is not in control of the fiscal levers required to significantly address issues relating to precarious labour market attachments, and broader poverty and deprivation experienced by vulnerable groups, devolution has enabled the Scottish government to utilise social and employment policies to offset the worst impacts of the 2008 Financial Crisis. A key social policy driver underpinning this progress in tackling insecure labour market attachment and poverty is extra support for working families through a distinct approach to wage policy (particularly in the public sector). In addition social investment in areas such as; subsidised childcare provision and transport cost is directed at supporting vulnerable groups within the labour market. The
decentralisation of important policy fields including Health, Education, Employment, Training and Social Care has encouraged innovative social and labour market measures relevant to local economies and communities. As a result like other sub-state governments the Scottish Government is playing an increasingly crucial role in delivering provisions aimed at improving the social well-being of their own population. (Schmuecker, 2008). Evidence relating to innovative social and employment policies in this report reveals that this role has become particularly significant in Scotland following the economic crises of 2008 for seven key reasons.

1. There is growing emphasis of **substantive and increasing levels of civic engagement** in the development of social policies. Vehicles for engagement include, the Committees System; Petitioning; and CIVIC (an online interactive platform)

2. **Skills Development Scotland** was established in 2008 alongside national frameworks and institutions in Scotland to respond to current and future economic, social and labour market conditions. For example There is clear evidence of the **promotion of co-production with key stakeholders** including employers, vulnerable groups, the education and social sector, local authorities, third sector organisations and community groups: Recent developments include The Community Empowerment Scotland Bill 2014.

3. A **pro-active emphasises on the development of local partnerships**, particularly within the framework of Community Planning Partnerships (CPP’s); Local Employment Partnerships (LEP’s) and Public Social Partnerships. (PSP’s) The Scottish Government has developed an initial pilot project involving 10 local authorities. PSP’s facilitate co-planning and delivery of services to local communities. This involves three stages: (i) social enterprises work with public sector purchasers to design a service; (ii) a consortium of public sector and social enterprises participate in a short-term pilot to refine service delivery parameters; (iii) the service is then further developed to maximise community benefit before being competitively tendered.

4. A **long term approach to economic resilience** with a very strong emphasis on environmental planning focussing upon the capture of the geographic potential of renewables to sustain future energy requirements within Scotland. This is also beneficial for exports and ensures transition to a low carbon economy.

5. An emphasis on **promoting equality through the use of social and employment policies and significant levels of social investment.** This has led to a series of legislative developments including the recent appointment of Angela Constance as the first Scottish **Cabinet Level Minister for Women and Youth Employment.** This focus on **gender equality** is closely aligned with recent policy proposals relating to the provision of universal free child care. Being regarded as critical to the promotion women’s participation in the labour market gender equality contributes to a strategic need to grow overall work force participation to counter demographic trends of an aging population in Scotland. In terms of employment policies, wage policies have been adopted as a central instrument. Here the **Living Wage** has been implemented to all public sector workers directly employed by the Scottish Government and also to all staff employed by National Health Service (NHS) Scotland. Private Sector employers are
encouraged to pay the living wage particularly those engaged in public procurement contracts.

6. A focus on **Prevention and Early Intervention**. A strong emphasis on investment in education, health and social services for vulnerable groups and on multi-sectoral provision for early intervention particularly for young people experiencing additional barriers in entering further or higher education or the labour market.

7. **The use of EU Structural Funds** to co-fund a range of innovative social and employment programmes.

Significantly, policy differentiation and the possibility of new forms of citizenship have emerged as significant opportunities of devolution. (Greer, 2009; Mooney and Scott, 2005; Mooney et al., 2006; Stewart, 2004). Appropriate economic, social and employment policies in Scotland are currently formulated within an architecture of ‘constructive advantage’. Within this framework, engagement with the global knowledge economy involves integrating business development opportunities, inward investment and market access within a focus on the quality of life of people living and working in Scotland. The interface between investment in education, industrial infrastructure, and technologies has brought a distinct approach to social and employment policies in Scotland. These policies include the abolition of up-front student higher education tuition fees; free personal care for the elderly and the abolition of prescription charges. A central focus of distinct Scottish Governments since 1997 has been to utilise limited policy levers available to reduce poverty and inequality. Recent data from the OECD have revealed that levels of income inequality have risen faster in the UK than any other developed country since 1975. In light of this, the current Scottish government has argued that the Scottish economy needs to grow more rapidly and has emphasised the synergy between higher economic growth and more equal distribution of wealth and opportunity. Inward investment strategies are closely aligned to this objective with a focus upon rebalancing the economy to revitalise manufacturing and to also tackle the geographic dimension of poverty and inequality in Scotland. This redistributive approach forms a central thread of policy approaches adopted by the Scottish government initially embedded in the ‘Solidarity Purpose Target’ (2007). In particular, wage policies including a strong commitment to the living wage (Living Wage (Scotland) Bill, 2013) and the promotion of a statutory minimum wage are aligned to the rationale that a higher productivity; higher wage; higher tax revenue base and more equally distributed economy offers an effective framework for long term labour market and economic resilience. Scottish Government policy documents also point to recent UK evaluations of the benefits of paying the living wage to employees in the private sector, particularly larger private sector organization (Scottish Government 2012(a); Scottish Government 2013). Longer term benefits identified include higher productivity levels; lower labour turnover; increased staff continuity; reduced levels of sick leave and a more motivated workforce (KPMG, London 2013; Lawton and Pennycook, 2013).

Further it is argued that larger firms employing high numbers of low-paid workers could afford to pay a living wage today. This is in part because the impact on wage bills can be
offset in ways other than reducing employment or hours. In particular, recent research evidence has shown that larger firms can use mechanisms such as raising productivity through re-organization or training; absorbing costs through higher prices; shifting pay distributions or accepting reduced profits in the short term. (Lawton and Pennycook, 2013). In most cases, adaptation is likely to be far more difficult for smaller firms with significant numbers of low-paid employees. Thus the employment effect (the ability of companies to pay the living wage without reducing numbers of employees) is greatly mitigated by the size and capacity of an organization and requires long term planning. The current emphases of the Scottish Government on the implementation of the living wage for all public sector workers directly employed by the Scottish government and all staff within NHS Scotland is accompanied by employment orientated measures which are directed at supporting SME’s in paying the living wage to vulnerable groups as well as encouraging larger firms benefitting from public procurement contracts within the private sector to adopt a living wage policy.

### 1.1.2.2 The Impact of devolved policies on Vulnerable Groups in Scotland: 2000 - 2013

Recent evidence has revealed the deep impact of austerity measures and welfare reforms instituted by the UK Government on vulnerable groups in Scotland (Oxfam, 2014; Joseph Rowntree Foundation, 2014; Tressel Trust 2014). These measures have had a particularly deleterious impact on people with disabilities across all age groups in Scotland. Importantly however, there is some evidence that policies instituted by successive Scottish Governments have had some positive impacts particularly with regard to relative child poverty. In the ten years between 2001 to 2011/12, the proportion of children in poverty in Scotland fell ten percentage points on both the ‘before’ and ‘after’ housing costs measures – about twice the fall observed in England: six and three percentage points respectively (Aldridge and Kenway, 2014). Much of the fall in child poverty in both Scotland and England is due to a fall in the high poverty rate among lone-parent families. This is largely attributable to a net improvement in employment rates compared with ten years ago, and policies – both UK-wide and Scotland-specific – that have sought to address poverty in this group. However, much of Scotland’s additional fall in child poverty is due to a drop in poverty among working-couple parents. This is partly a result of increased levels of ‘full’ working (where both adults are in work and at least one of them is working full-time). These increased levels of ‘full working’ have not been observed in England during the same period. Recent studies provide evidence that a central reason for this difference lies in the Scottish Government’s pro-active approach to facilitating the participation of women in the labour market through increased investment in child care and early education in Scotland (Bailey and Bramley 2013; Aldridge et al 2013; MacInnes et al 2013; Aldridge and Kenway 2014). Underlining these findings, in December 2013, the number of women in employment in
Scotland reached a record 21-year high with 1,233,000 women in the Scottish labour market (ONS, 2014).

Critically however, poverty for children in workless families in Scotland remains high and changes to benefits instituted by the UK Government from 2012 have been evidenced as increasing this poverty further (Oxfam, 2014; McCormick, J., 2013).

Whilst the Scottish Government only has limited powers to mitigate the negative impacts of austerity measures and welfare reforms instituted by the Westminster Government, it has offset measures such as the cut to Council Tax Benefit, the introduction of the Spare Room Subsidy (bedroom tax) and the removal of components of the social fund by providing direct assistance to the most vulnerable families particularly to those with disabilities. Despite these compensatory measures, precarious attachments to the labour market created by lack of skills, disability, caring responsibilities or ill health have accentuated levels of poverty in Scotland. The plethora of measures and interventions developed since the 2008 Financial Crises have been designed to address these precarious attachments whilst also supporting the social and economic well-being of vulnerable groups within the Scottish labour market. As evidenced below, combining labour market programmes and social investment has had a demonstrably positive impact on labour market attachment and longer term well-being of some vulnerable groups in Scotland, particularly young people. However, whilst social and employment policy measures have alleviated poverty amongst disabled groups in Scotland, employment policies and measures have not led to significantly improved labour market outcomes for this group.

Analysis of recent national statistical and research evidence indicates that levels of deprivation in Scotland as a whole have stabilised or gone into steady decline since 2004/5. (DWP 2013; Scottish Government 2013). A recent report conducted by the Poverty and Social Exclusion UK (PSE-UK) Survey, in 2012 reveals that levels of deprivation were lower in Scotland than in the rest of the UK in 2013 (Gordon et al 2013). Evidencing this, 33 per cent of adults endured multiple deprivation in the UK in 2013 compared to 29 per cent in Scotland. Importantly however, absolute poverty in the UK is higher than in most other western Europe countries and Scotland has only slightly reduced rates of absolute poverty since 2004/2005 (ONS 2013). Nevertheless, a good deal of substantive evidence reveals that relative poverty in Scotland has been lower than in the rest of the UK since 2004/5 (Bailey and Bramley 2013; McCormick and Harrop 2010; Parekh et al 2010; Aldridge et al 2013; MacInnes et al 2013; Aldridge and Kenway 2014). A recent report by Bailey, (2014) further substantiates this evidence. Drawing upon a the analysis of a range statistical databases including the Family Resources Survey, and the Scottish Neighbourhood Survey, Bailey (2014) provides clear evidence of improved levels of labour market resilience in the Scotland between 2000-4 and 2008-12. In particular, analysis of FRS data reveals a strengthening of the employment position of Scottish Households over this period. This analysis utilises data relating to changes in household employment rates – a measure known as ‘household work intensity’. The data takes account of the number of adults in the household who are
working and the extent to which they work full or part-time. A household employment rate of ‘1’ implies all adults are working full-time while ‘0’ implies no adults have any paid work. Taking account of all people of working age, the proportion of households with a high employment rate (over 0.8) fell across the UK between 2000-4 and 2008-12 but it did so by less in Scotland than in the rest of the UK (RoUK). At the other extreme, the proportion of workless households increased in the RoUK but fell in Scotland. In the two intermediate categories, the differences were smaller but also worked in Scotland’s favour (Bailey, 2014). Importantly the relative improvement in employment rates in Scotland has occurred mainly through households without children. For those with children, the changes in Scotland mirror those in the RoUK indicating that those households did not see as much benefit from the relative improvement in Scotland’s economy as households without children. This would lend support to the idea that affordable childcare is a critical barrier to entering and sustaining a position in the labour market. (Aldridge and Kenway 2014; McCormick and Harrop 2010; Parekh et al 2010; Aldridge et al 2013; MacInnes et al 2013; Lawton and Pennycook, 2013; IPPR, 2013)

Importantly, as Figure 3 (below) illustrates, analysis of changes in the percentage of the Scottish population who were income deprived show a steady increase from 2005. Whilst there was a sharp increase in income deprivation in 2008 (Financial Crises) there is a clear levelling off between 2009 and 2010 and a very sharp decrease of 3% in levels of income deprivation between 2010 and 2011. As Figure 4 (below) illustrates, the last decade has also seen a gradual improvement in Scotland’s labour market position relative to the UK as a whole, particularly the years from 1999 to the start of the recession in 2007 or 2008. This improving position is also reflected in a rise in earnings relative to the UK (ONS, 2014). Reinforcing this trend, the proportion of income being provided by social security has fallen over the last 10 years. (FES, 2013). Figure 3 (below) illustrates the impact of the 2008 crises on income deprivation of vulnerable groups. Figure 4 (below) illustrates the impact of the 2008 crises on precarious attachment/exclusion from the labour market.
Figure 3: Change Over Time report for Scotland for the Topic Economic Activity, Benefits and Tax Credits
Indicator: Percentage of the Scottish Population who are income deprived (2002 to 2011)


Figure 4: Change Over Time report for Scotland for the Topic Economic Activity, Benefits and Tax Credits
INDICATOR: Percentage of working age population in Scotland who are employment deprived between 2002 and 2011
A number of studies have highlighted the significance of the labour market in contributing to the improving position of vulnerable groups since 2002 in Scotland (McCormick and Harrop 2010; Aldridge and Kenway 2014). Other factors include more affordable housing, and the use of preventative policies including, higher levels of social investment in health, education and transport to support vulnerable groups. Several studies have also noted the growth in self-employment in Scotland as having a positive impact on levels of household incomes (Barham, 2010; Bivand, Bell, Vaid, Whitehurst, and Wan, 2010). Despite the positive impacts of policies and innovations in Scotland demonstrated above the extent of both relative and absolute poverty in Scotland is of major concern and is a key driver policies across all devolved sectors of governance. Geographical differences in levels of poverty and deprivation are marked. Exemplifying this, as Figure 5 illustrates (below) there are marked differences in relation to numbers of working age people in receipt of out of work benefits in different parts of Scotland. Critically the proportion of working age people in receipt of out-of-work benefits is more than twice as high in Glasgow; Inverclyde; West Dunbartonshire and East Ayrshire than in several other parts of Scotland. Recognition of these differences is fundamental to the rationale of devolved governance to local authorities in the planning of local social and employment policies, partnership models and collaborative governance.

Figure 5: Proportion of working-age people in receipt of a key out-of-work benefit by local authority in Scotland
Source: Department for Work and Pensions 2011-2012
1.1.2.3 Financial Crises, Austerity and the Discretionary Element of the Scottish Budget

In 2011-12, total tax revenue generated in Scotland (onshore and offshore) was £56.9 billion. [6] Chart 3.1 provides a breakdown of revenue by source. Income tax is the largest onshore source of tax revenue in Scotland, raising £10.8 billion in 2011-12, 19% of the Scottish total. VAT and National Insurance Contributions were the second and third largest sources of onshore revenue, generating 17% and 15% of total estimated Scottish receipts respectively. Tax revenue per person has remained relatively strong in Scotland during the period between 2008 and 2013 declining to UK levels in 2009-2010 before returning to an upward trajectory in 2011 and 2012. Total Scottish tax receipts can be disaggregated into onshore and offshore revenue. In 2011-12, onshore taxes generated an estimated £46.3 billion in revenue. This is equivalent to 8.2% of total onshore UK tax receipts, which is broadly in line with Scotland's share of the UK population. Total tax revenue (onshore and offshore) in Scotland was equivalent to £10,700 per person in 2011-12, compared to £9,000 in the UK as a whole. As Chart 3.3 illustrates, whilst tax revenue per head in Scotland has varied year on year, it has been consistently higher than the UK average over the past decade. Longer term analysis estimates that total tax revenue per person in Scotland was higher than the UK average in each year between 1980-81 and 2011-12. Since 1980-81, total tax revenue per capita in Scotland has been on average £800 a year higher than in the UK as a whole. Adjusted for inflation, the gap has averaged £1,350 over this period. This reflects the relative contribution of offshore revenues to the Scottish and UK public finances.

Figure 6: Tax Revenue per capita between 2000/01 and 2011/12
Decision making responsibility for public spending is a reserved matter in many areas. As Figure 7 below illustrates the Scottish Government has limited fiscal levers through which to implement social and employment policies for resilient and inclusive labour markets. Currently the UK government is largely responsible for decisions relating to public expenditure in Scotland having reserved powers over 85% of public expenditure in Scotland.

![Figure 7: Total Public Expenditure in Scotland 2012 - 2013](source: Scottish Government)

The Financial Crises of 2008 triggered rapid deterioration in the fiscal positions of governments around the world. In the UK, the global financial crisis and recession of 2008 and 2009 contributed to the largest UK peacetime budget deficit ever recorded with a very substantial increase in the national debt (OBR 2011). The UK macro-economic situation has had implications for the discretionary element of the Scottish Budget (Departmental Expenditure Limit, DEL) which will fall by 12% in real terms over the period 2010-2015. 2013 to 2014 is the fourth consecutive year that there has been a real terms reduction imposed on the Scottish Governments DEL budget with the capital DEL budget (regarded by the current Scottish Government as a key driver of economic recovery sustaining the highest reduction. The Table below illustrates the overall DEL figures for the Budget 2013 to 2014. In particular significant reductions in public spending will limit the capacity of The Scottish Government to introduce social and employment measures in line with the ‘constructive advantage’ approach to economic resilience. In particular the Scottish total DEL for 2016-17 will be 17% lower in real terms than in 2010-2011.

Source: Scottish Government.
The Impact of the 2008 Financial Crises on the Scottish Economy and labour market

The financial crises of 2008 had differential impacts across distinct European economies. Entering recession in mid-2008 and returning to growth in late 2009, Scotland, like most other developed economies, experienced significant impacts of the global downturn. Since this period Scottish (and UK) economies has become more susceptible to external factors and continued global uncertainty has resulted in a more unstable economic outlook particularly with regard to economic output. Figure 9 below shows the impact of the crises on GDP in Scotland and the UK.
Figure 9: Scotland and UK Annual GDP Growth Rates, 2003 Q1 to 2013 Q4

Source: Scottish Government; 2014
Short term pressures created by the crises have impacted particularly on the labour market in Scotland with a fall in employment and a rise in unemployment between 2008 and 2013 having a particularly strong negative impact upon young people within the labour market. In 2013 the overall unemployment rate in Scotland was 7.7%, marginally below the UK figure of 7.9%. (ONS, 2014). Notably, employment levels have recovered to a degree in Scotland since April 2010, although levels remain below their pre-recession high. On average, between 2008 and 2013, Scotland maintained its position as the top performing country of the UK in terms of overall employment levels. However, worsening labour market conditions have impacted disproportionately on vulnerable groups in the labour market in Scotland. In common with previous recessions, young people were amongst the first to encounter more difficult labour market conditions as employment opportunities were reduced. In the Scottish Labour market a larger proportion of males than females have been compelled to adjust to changing labour market conditions since 2008. Data for the 3 month period April to June 2013 shows that compared to the pre-recession peak in employment – in the 3 month period March-May 2008 – male employment rates were 3.9 percentage points lower, whilst female employment rates were 1.7 percentage points lower. However, data also suggests that this balance may be shifting, with male employment increasing and female employment falling in recent months. (ONS, 2014). Despite this, according to figures for April to June 2013, the female employment rate in Scotland is the highest of all UK countries and Scotland’s female unemployment rate is lower than in the UK as a whole. (ONS, 2013). The Economic Recovery Plan implemented by the Scottish Government in 2008 aimed to facilitate the resilience of the Scottish economy. Overall, the global recession has been less damaging to productive output in Scotland than in England with a fall of 5.7% from peak to trough in Scotland compared to 6.3% in England. The current Scottish Government Economic Strategy has two central aims, Firstly, to promote resilience during times of economic crises and uncertainty and secondly to effect long-term, or structural, change in Scotland’s sustainable growth rate. (Scottish Government, 2012). A central challenge for the Scottish Government given its broadly social investment approach is the impact of the financial crises on public sector finances. Critically, the economic strategy outlined by the Finance, Employment and Sustainable Growth (FESG) Plan (2013) focusses on substantial investment in: business, tourism, renewable energy, capital infrastructure, entrepreneurship and innovation; digital public services and planning. Enhancing this action on community empowerment; promoting equality and building an effective and enterprising third sector and improving public services through Community Planning Partnerships is regarded as integral to this approach. (Scottish Government, 2013). Current and projected reductions in the DEL (Discretionary Element of the Scottish Budget) have severely limited the capacity of the Scottish Government to implement an investment led recovery by taking direct action to boost employment though inward investment. Year on Year reductions in the DEL (Figure 10) have meant that the Scottish Government budget will not return to 2009/10 levels until 2025/26. As evidenced above the DEL (Discretionary Element of the Scottish Budget) was cut by 7% in real terms between 2010 and 2012/13 and on current projections will be reduced by 17% by 2016/17. In terms of economic policy a key concern of the Scottish Government is that contraction of the public expenditure will lead to a negative contribution to aggregate demand in the UK economy as a whole over the coming years to 2020. This will have a deleterious impact on the resilience of both the Scottish economy and labour market, most particularly on the effectiveness of investment driven social and employment policies. As a result the current Scottish Government is also focussing on increasing the efficiency of the public sector and promoting preventative social policies. A central objective of preventative social policies across a range of educational, health and youth work, employment and training initiatives is to strengthen labour market resilience and
inclusion. In addition investment measures have been specifically directed at Small and Medium Sized Enterprises to enable the sector to expand and support jobs and a number of employer orientated initiatives have been launched since 2010. This is rationalised as being part of a long term approach to labour market resilience by the current Scottish Government. Here it is argued that whilst large companies have significant assets and cash holdings to access capital markets directly most SME’s have limited access to finance. A parallel infrastructure investment programme has also been implemented including the Forth Replacement Crossing and the South Glasgow Hospitals project. In 2013 a £2.5 billion programme of NPD investment was implemented to mitigate UK Government austerity measures. An important innovative measure in supporting small business growth as part of the policy framework for labour market resilience has been the establishment of the Scottish Investment Bank which supports early stage innovative technology based businesses, and growth and exporting companies. In addition, the National Renewables Infrastructure Fund is designed to encourage more private sector investment in partnership with public sector investment. The emphasis on Renewable technology is a key part of the Scottish Government’s approach to economic, social and labour market resilience. In essence adapting to future economic pressures involves a long term approach to economic resilience emphasising environmental planning and the capture of the geographic potential of renewables to sustain future energy requirements within. Within the broader architecture of the Scottish Government’s approach to economic resilience direct labour market measures are aimed at promoting economic confidence and security. Exemplifying this the government has instituted a no-compulsory redundancies agreement and a guaranteed living wage for the 30,000 staff directly employed by the Scottish Government and all staff employed by NHS Scotland. Social policy measures include the freezing of council tax and water bills and the abolition of prescription charges. A central aim of this approach has been to reduce levels of unemployment and underemployment particularly for young people in Scotland. This has led to a substantial investment in skills training, and education with an emphasis on developing closer relationships between business and education sectors. The introduction of over 25,000 Modern Apprenticeships and 46,500 training opportunities for young people in 2013 illustrates this approach.
1.2 The Economic Strategy of the Scottish Government in Response to the Crises

The Scottish government’s economic strategy is based upon six strategic areas. The underlying rationale is to develop a more resilient and adaptable economy to drive sustainable growth: These strategic areas are:

- Supportive business environment
- Transition to a low carbon economy
- Learning, Skills and well-being
- Infrastructure development and place
- Effective Government
- Equity

Whilst five of these priorities were put in place as part of the government economic strategy of 2007, transition to a low carbon economy has been added as a central response to the economic crises by taking advantage of the current conditions for adaptation and investment. (Scottish Government 2011). This approach to economic resilience also derives from the identification of specific strengths of the Scottish economy. *Energy production benefits greatly from available capacity from renewables in Scotland which makes up approximately 25% of total renewable capacity in Europe.* In addition Scotland is estimated to have the largest oil and gas reserves in the European Union accounting for 60% of total EU reserves. (Scottish Government, 2014)

A key strand of this response to economic resilience is to capture the geographic potential of renewables to sustain future energy requirements in Scotland whilst also ensuring transition to a low carbon economy. Renewable generation in Scotland has the capacity to power the equivalent of every Scottish household in Scotland. Critically, this response to the 2008 crises centres upon the potential of renewable energy to make a significant contribution to a sustainable economy and to a more resilient labour market. More specifically, the Scottish Government has set a targets for renewable energy to generate 100% of gross annual electricity consumption and 11% of heat consumption by 2020.

Renewable energy supported 11,000 jobs in Scotland in 2013. Given the strategic commitment to the renewable industry this figure is set to grow. Innovative approaches to developing resilience in terms of current and future energy requirements is evidenced by the recent development of the Pentland Firth and Orkney Waters as the site of the world’s first commercial scale leasing round for marine energy enabling 1.6 gigawatts of marine projects with the potential to power 750,000 households. Offshore wind power is also being heavily invested in and wind generation reached a record high in 2013 increasing by 11.5% year on year. The Scottish government is also investing heavily in the development of hydropower which has the potential of supplying 25% of household energy requirements in Scotland. The drive to a low carbon, energy efficient economy is embedded within all of the strategic priorities underpinning government economic policies and is regarded as a playing a pivotal role in ensuring economic,
social and labour market resilience and sustainability. The commitment to a low carbon economy is integrated within all of the strategic priorities. In particular, resource efficiency and competitiveness is regarded as central to the enhancement of productivity. Labour market participation and population growth are also viewed by the current Scottish government as being integral to increased productivity.

Equity is a central strand of policies designed to encourage labour market resilience. Current social and employment policies are underpinned by a broader strategic objective to tackle the causes of inequality and barriers to economic opportunity. The commitment to the Solidarity Purpose target to increase the overall income and the proportion of income earned by the three lowest income deciles as a group by 2017 and The Living Wage (Scotland) Bill (2013) exemplify this approach. The central rationale underpinning current social and employment policies geared towards labour market resilience is the view that all six priority areas are interdependent. Here the creation of a more diverse, robust and adaptive business base is regarded integrally involving a skilled, educated and the efficient use of Scotland’s natural and energy resources. This also involves an innovative research and development base, a well-developed transport and digital infrastructure and an approach to health and well-being that ensures that people living in Scotland are able to realise their potential. This approach to social and labour market resilience is centrally based on the promotion of equity and prevention of collective societal risks. Here the Scottish government’s Solidarity Purpose (2007); focus on no up-front fees in Higher Education, and proposal for universal free child care provision are regarded as being pivotal to widening labour market participation, economic growth and resilience. Interdependencies between economic growth, equity and sustainability underpin social and employment policies designed to maximise value added in growth areas of the economy through the creation of high quality sustainable jobs. This approach to being competitive within a global knowledge economy runs as a central thread through current social and employment policies designed to promote longer-term resilience to economic shocks. Several key trends have emerged from this including: Social Investment, Partnership (with recent emphasis on employer orientated interventions) Prevention and local delivery.

Economically, inward investment is viewed by the current Scottish Government as being central to stimulating productivity with Research and Innovation as a central target of this investment. (Scottish Government, 2013, 2011(a); 2011(c)). The matching of current and future long term skills requirements is regarded as being central to economic and labour market resilience and Skills Development Scotland established in 2008 is the major public sector organisation responsible for coordinating and planning labour market policies and initiatives across Scotland. The aim is to boost labour market resilience by investing in learning and skills development across the working population whilst also focussing on reducing inequality to ensure the realisation of individual potential and prevent the personal, social and economic and welfare costs of exclusion from labour market and health inequalities. The Scottish government’s commitment to supporting Small and Medium Sized businesses following the 2008 financial crises includes shovel-ready capital investment supplied by the public sector to provide an immediate stimulus and protect jobs and outputs as well as investing in a longer term future for businesses. (Scottish Government, 2013). Illustrating this Scotland has a proof of concept programme (to support university commercialisation
activities and measures including INTERFACE to encourage collaboration between SME’s and public sector research bodies. Part of this proof of concept programme includes the creation of Intermediary Technology Institutes to transform basic research.

Figure 10: The Scottish Government’s Economic Strategy

Source: Scottish Government, 2013
1.3 Demographic structure

Figure 11: The Changing Age Structure of Scotland’s population 2011 to 2012.

Scotland’s population has witnessed a large increase since 2001. The latest estimate for the population of Scotland was released in May 2012 by the National Statistics Scotland which reported Scotland’s population as being 5,254,800. Following a period of decline in the latter half of the 20th century, Scotland's population is once again increasing steadily, fuelled mainly by immigration from England and Europe, but also supported by an upswing in the domestic birth rate. The latest high level statistics from The National Records of Scotland reveal how the age structure of Scotland’s population is changing. Between mid-2002 and mid-2012 the population increased by 247,600 (4.9 per cent), from 5.07 million to 5.31 million. However different patterns were observed in different age groups. Of particular note is the decrease of 5 per cent in the number of children under 16 and the increase of 15 per cent in the number of people aged 75 and over. The ageing of the population is also evident in the rise of 14 per cent in the 45-59 age group, and of 17 per cent in the 60-74 age group.

Source: National Records of Scotland
Figure 12: The Age Structure of the Scottish Population between 2002 and 2012

Source: National Records of Scotland

1 Working age at 30 June 2012 is defined as men aged 16 to 64 and women aged 16 to approximately 61 years and 56 days.
2 Pensionable age at 30 June 2012 was 65 for men and approximately 61 years and 57 days for women.
1.4 The Scottish Labour Market

1.4.1: Employment Profile

In 2013 Scotland had the highest employment rate of the four countries in the United Kingdom with the employment rate showing a 2.0% increase between 2012 to 2013. Scotland’s employment rate has been steadily increasing since 1997 reaching its highest point at 74.9% during the second calendar quarter of 2007 (Apr-Jun). As Figure 13 (below) reveals the Financial Crises of 2008 did have a significant impact on Scotland’s employment rate, however overall employment levels have recovered well and during the final calendar quarter of 2013 (Oct-Dec 2013), the employment rate in Scotland was 72.8 per cent, not far below the peak of 74.9% reached before the crises. This compares to an employment rate of 72.3 per cent in England during the final quarter of 2013.

Figure 13: Employment Rates (16-64) in the 4 Countries of the UK QA 2001 to Q4 2013

Source: Labour Force Survey, Seasonally Adjusted data, Office for National Statistics
As Figure 14 below illustrates, this positive trend in employment rates in Scotland is further confirmed within the context of international data.

Figure 14: Employment Rates in OECD countries.

The degree of labour market recovery from the 2008 Financial Crises is illustrated in Figure 15 below:

**Figure 15: Scottish Employment levels between April- June 2007 and July-September 2013**

The recent improvement in employment levels has been largely driven by growth in female employment which has increased by 27,000 or 2% since September-November 2008. At the same time however in common with the rest of the UK there has been a significant growth in levels of part-time employment. In 2013 part-time employment in Scotland made up 27% of all employment with women making up the vast majority of part-time posts. (ONS, 2013). Critically, the age distribution of unemployment in Scotland clearly illustrates that the vast majority of those not in employment in Scotland are young people. 20.5% of young people aged 16-24 were unemployed in Scotland between July 2012 and June 2013. This compares with a current EU average youth unemployment rate of 23%.

**Table 1:**
**Age Distribution of Unemployment in Scotland July 2012 to June 2013**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Level</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24</td>
<td>81,900</td>
<td>20.5%</td>
</tr>
<tr>
<td>25-34</td>
<td>42,300</td>
<td>7.2%</td>
</tr>
<tr>
<td>35-49</td>
<td>49,400</td>
<td>5.4%</td>
</tr>
<tr>
<td>50+</td>
<td>35,400</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

1.4.2: Employment Sector Profile

Providing 30% of all employment, ‘Health, Education and Public Administration’ is the largest industrial sector of employment in Scotland in 2013/13. It is important to note that this sector does not comprise entirely of public sector workers. Approximately 550,000 people were employed in the public sector during Q3 2013, comprising 23% of all employment in Scotland (ONS/Scottish Government statistics, 2014). There has been a significant decline in the number of people employed in manufacturing in Scotland over the last thirty years. In 1982, 24% of the Scottish workforce (469,000) were employed in manufacturing, compared with 8.3% in 2013 (Scottish Office, 1994; ONS, 2014). The percentage of the Scottish workforce now employed in manufacturing is now below the UK national average (9.7%). The current Scottish Government have recently launched a proposal for raised investment in Scotland’s manufacturing capacity.

Table 2: Employment in Scotland by Industrial Sector: July 2012 to June 2013

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>NUMBER EMPLOYED</th>
<th>% of TOTAL EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health, Education and Public Administration</td>
<td>757,200</td>
<td>30.7%</td>
</tr>
<tr>
<td>Distribution, Hotels and Restaurants</td>
<td>475,600</td>
<td>19.3%</td>
</tr>
<tr>
<td>Banking, Finance and Insurance</td>
<td>379,600</td>
<td>15.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>203,700</td>
<td>8.3%</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>191,400</td>
<td>7.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>168,700</td>
<td>6.8%</td>
</tr>
<tr>
<td>Other Services</td>
<td>138,000</td>
<td>5.6%</td>
</tr>
<tr>
<td>Energy and Water</td>
<td>88,000</td>
<td>3.6%</td>
</tr>
<tr>
<td>Agriculture and Fishing</td>
<td>44,000</td>
<td>1.8%</td>
</tr>
<tr>
<td>TOTAL EMPLOYMENT</td>
<td>2,446,200</td>
<td>100%</td>
</tr>
</tbody>
</table>


1.4.3 Growth Sectors in the Scottish Economy
Between 2008 and 2013, the major growth sectors in the Scottish economy included Energy and Renewables which grew by 166%, an increase of 1,925 Enterprises during the period and Creative Industries growing by 25% over the period and representing an increase of 2,615 enterprises between 2008 and 2013. Life Sciences grew by 9% over this period. These growth sectors reflect strategic areas for investment, Energy and the Environment and Research and Technological development outlined in the Scottish governments Economic Strategy, 2010. The Scottish Government has focused on 6 key sectors in the drive for growth; Energy (including renewables); Life Sciences, Financial and Business Services; Food and Drink Sustainable Tourism and Creative Industries (including Digital). The Scottish Government has also proposed further major investment in the Manufacturing Sector.

Table 3: Growth Sectors in the Scottish Economy between 2008 and 2013: Employment levels, Enterprises and Turnover.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Enterprises</th>
<th>Employment</th>
<th>Turnover In £millions</th>
<th>Change in Number of Enterprises</th>
<th>%Change in Number of Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Economy Total</td>
<td>160,050</td>
<td>2,425,900</td>
<td>5,415</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Energy including Renewables</td>
<td>3,085</td>
<td>63,400</td>
<td>66,208</td>
<td>1,925</td>
<td>166%</td>
</tr>
<tr>
<td>Creative Industries including Digital</td>
<td>12,890</td>
<td>65,200</td>
<td>4,999</td>
<td>2,615</td>
<td>25%</td>
</tr>
<tr>
<td>Financial and Business Services</td>
<td>22,680</td>
<td>215,600</td>
<td>2,445</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Life Sciences</td>
<td>480</td>
<td>16,000</td>
<td>1,950</td>
<td>40</td>
<td>9%</td>
</tr>
<tr>
<td>Sustainable Tourism</td>
<td>13,480</td>
<td>181,500</td>
<td>6,221</td>
<td>185</td>
<td>1%</td>
</tr>
<tr>
<td>Food and Drink</td>
<td>17,370</td>
<td>117,900</td>
<td>13,136</td>
<td>315</td>
<td>-2%</td>
</tr>
<tr>
<td>All Growth Sectors</td>
<td>69,985</td>
<td>659,600</td>
<td>6,900</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>


An employment total of 659,000 covering 70,000 enterprises are covered by growth sectors in the Scottish Economy. Between 2008 and 2012 the Energy and Renewables sector saw the greatest rate of growth at 166% whilst the Creative and Digital industries sector saw the greatest actual increase in number of enterprises. It is notable that in 2012 the Energy and Renewable’s sector employed 63,000 people whilst the Creative and Digital Industries employed 65,200 during the same year. It is also significant that the Food and Drink sector was the only sector
which suffered a decline between 2008 and 2013, with Creative Industries experiencing the greatest growth in numbers of enterprises, whilst Food and Drink actually saw a slight decline. This is significant as at 117,900 a high proportion of working age population are employed in this sector in Scotland. Finally, the Financial and Business Services sector in Scotland has remained strong during the period between 2008 and 2013, growing by 12%. This is significant to labour market resilience since 2008 as this sector employed 215,600 of working age people in Scotland in 2012.

1.4.4 Changes in the Profile of People (16+) in Employment in Scotland between 2008- 2013

The 2008 Financial Crises and subsequent global economic recession has had a significant impact on the working patterns of many in employment in Scotland. In 2008 75.3% of people aged 16+ were employed on full time basis in Scotland, this decreased by 2.6% to 72.7% in 2013. Significantly the proportion of males in full-time employment has decreased by 3% since 2008. Although in 2013 1.11 million males were working full time representing 87% of the working male population (+16) with a 0.4% increase since 2012. There are however very significant geographical variations in employment, unemployment and inactivity rates across Scotland. As Figure below reveals when measured at local authority level, the highest employment rates (over 77%) are in Aberdeen and the Northern Isles (83.4% in the Orkney Islands). The lowest rates of employment (below 65%) in 2012 were in Glasgow, North Ayrshire, and Dundee. Similarly unemployment rates vary from 13.5% in North Ayrshire to 3.3% in the Orkney Islands.
Confirming this data, as Figure 17 illustrates, geographical differences in economic inactivity rates show that whilst economic inactivity of people aged between 16 and 64 has decreased in 12 local authorities since the 2008 Financial crises with the largest decreases in East Lothian and North Lanarkshire, at the same time inactivity rates have increased in 20 local authorities since 2008 with the largest increases in North Ayrshire and Midlothian.
Increases in levels of part-time, temporary and flexible working since the 2008 crises have had significant implications on the composition of the Scottish Labour Market. In particular, female employment has increased by 27,000 since or by 2% since November 2008 (ONS, 2014). This may be linked to a significant growth in levels of part-time employment over this period. In 2013 part-time employment in Scotland made up 27% of all employment with women making up the vast majority of part-time posts. As Figure 18 below reveals most part time employees were female (18.3% of total workforce) whereas only 5.1% were male (of total workforce). Confirming this, the total number of female employees working full time was just over 685,000 (57.4% or total female workforce) in 2013. This represents a reduction of female full time workers of 1.6% since 2008. At the same time, levels of self-employment had been rising very gradually in Scotland between 2004 and 2010, but have risen more rapidly in 2011 and 2012. At the start of the Financial Crises in 2008, 268,500 (10.6%) of the 16+ workforce were self-employed. By 2012, the level of those self-employed had increased to 301,700 (12.2%), however over the year to 2013 levels of self-employment have decreased by 15,800 to 285,900. Significantly, this was dominated by a decrease in male full-time self-employment. Male part-time self-employment levels also decreased.

Since the recession, the proportion of the workforce who were self-employed has increased in 22 of Scotland's local authority areas, and decreased in the remaining 8 areas. The largest increases in the proportion who were self-employed were seen in Highland, Orkney Islands and
Midlothian (up 4.9, 4.9 and 4.4 percentage points respectively). The largest decreases were seen in Moray, Dundee City and North Lanarkshire (down 2.8, 2.6 and 2.3 percentage points respectively).

Figure 18: Composition of People in Employment in Scotland during 2013

As Table 4 (below) illustrates, working age people most affected by the 2008 financial crises and subsequent economic recession are people aged between 16 and 24. In September 2007, one year before the crises 62.6% of all employees in Scotland were between the ages of 16 -24, by September 2013 this had fallen by a full 10% to 53.6%. Of this age group, 16-17 year olds have been more vulnerable to the impacts of recession with employment rates falling by 11.6% between 2008 and 2013. Young people aged between 18-24 have been slightly less vulnerable than the age group as a whole with employment rates for this group falling by 8.8%. In comparison, older workers (aged between 50 and 64) have experienced a very minor fall in employment rates of 0.6% between September 2007 and September 2013, with workers over the age of 65 being the only age group to experience a rise in levels of employment during this period of 2.6%. This suggests that employers are choosing to retain experienced workers during the recession. This practice is rationalized by employers as a way of reducing the costs of training younger, inexperienced or lower skilled workers during the recession. The age group making up the majority of workers in the Scottish labour market between September 2007 and September 2013 are those aged between 35 and 49. Employment Rates for this group fell by 1.5% during this period whilst employment rates for people aged between 25 and 34 years of age fell by 2.5%.
Table 4: Employment rates (%) by age and selected age cohorts, October 2005 – September 2013

<table>
<thead>
<tr>
<th>In % October to September</th>
<th>Sep 06</th>
<th>Sep 07</th>
<th>Sep 08</th>
<th>Sep 09</th>
<th>Sep 10</th>
<th>Sep 11</th>
<th>Sep 12</th>
<th>Sep 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-17</td>
<td>43.3</td>
<td>40.6</td>
<td>40.1</td>
<td>37.1</td>
<td>31.1</td>
<td>31.0</td>
<td>28.8</td>
<td>29.0</td>
</tr>
<tr>
<td>18-24</td>
<td>68.3</td>
<td>68.6</td>
<td>67.9</td>
<td>64.4</td>
<td>62.7</td>
<td>61.1</td>
<td>58.4</td>
<td>59.8</td>
</tr>
<tr>
<td>16-24</td>
<td>62.9</td>
<td>62.6</td>
<td>61.9</td>
<td>58.6</td>
<td>56.2</td>
<td>55.0</td>
<td>52.5</td>
<td>53.6</td>
</tr>
<tr>
<td>25-34</td>
<td>79.7</td>
<td>81.5</td>
<td>81.6</td>
<td>80.1</td>
<td>77.9</td>
<td>79.3</td>
<td>79.7</td>
<td>79.0</td>
</tr>
<tr>
<td>35-49</td>
<td>82.9</td>
<td>83.8</td>
<td>83.7</td>
<td>82.1</td>
<td>81.1</td>
<td>80.7</td>
<td>81.5</td>
<td>81.4</td>
</tr>
<tr>
<td>50-64</td>
<td>62.9</td>
<td>64.5</td>
<td>66.0</td>
<td>64.6</td>
<td>64.2</td>
<td>63.6</td>
<td>64.1</td>
<td>63.9</td>
</tr>
<tr>
<td>65+</td>
<td>5.3</td>
<td>5.4</td>
<td>6.0</td>
<td>6.8</td>
<td>6.6</td>
<td>6.7</td>
<td>7.5</td>
<td>8.0</td>
</tr>
<tr>
<td>All Workers</td>
<td>59.9</td>
<td>60.6</td>
<td>60.9</td>
<td>59.5</td>
<td>58.3</td>
<td>58.0</td>
<td>57.9</td>
<td>57.6</td>
</tr>
</tbody>
</table>

Source: ONS Labour Market Statistics, Scotland, March 2014

1.4.5 Trends in Underemployment between 2008 and 2013

Underemployment refers to those who are in employment but would prefer to work more hours than they actually do. As such underemployment provides an indication of the underutilization of labour. Importantly, underemployment may also indicate an underutilization of skills.

Measuring levels of underemployment is problematic as employers and employees may view underemployment from distinct perspectives particularly in terms of the underutilization of skills. It is important to consider levels of underemployment when considering the impact of labour market innovations for vulnerable groups within the labour market. In particular young people may argue that they may be significantly underemployed partly because they have not had the opportunity to gain or develop skills within the labour market. Here, a vicious circle may be created whereby, a young person is forced to accept jobs that do not require a specific skills set. Such jobs may also be part-time or temporary. Recent studies have revealed that this often results in weak labour market attachment and a constant stream of low paid or insecure jobs (Hudson, Liddell, and Nicol, 2012; Bell, and Blanchflower, 2013). At the same time the young person is not gaining from positive embedded training experiences or skills acquisition.

Importantly also, the negative psycho-social impact of poor quality, insecure and low paid jobs on young people have been well evidenced by a number of recent studies. (WHO, 2013; Bailey and Bramley, 2013). The Labour Force Survey does not directly gather any other information on skills related to underemployment. However, the accepted definition of underemployment currently includes, all employed persons aged 16 and over who during the reference week were willing to work additional hours, meaning that they: wanted another job in addition to their current job(s), or wanted another job with more hours instead of their current job(s), or wanted to increase the total number of hours worked in their current job(s). In 2013 there were 234,100 workers who were underemployed in Scotland (down 9,300 over the year), this represents 9.6% of all employed people over 16 (down 0.4 percentage points over the year). Significantly, the underemployment level has increased by 59,600 since 2008, representing an increase in the
underemployment rate of 2.6 percentage points over the same period. During, 2012 and 2013, the underemployment rate for 16-24 year olds decreased by 10,100 (2.6 percentage points). Underemployment rates were higher for females than males in the Scottish labour market (this reflects the higher prevalence of part-time work amongst women). In 2013, the underemployment rate for men was 9.0% - up 2.9 percentage points since 2008 - while the rate for women was 10.1% - up 2.2 percentage points since 2008. (Labour Force Survey, ONS, 2013).

1.6: The Pre-Crisis and Post-Crisis Position of Vulnerable Groups within the Scottish Labour Market.

1.6.1: Young People: The Scale and Nature of Youth Unemployment in Scotland

As the labour market in Scotland has constricted following the global financial crises in 2008 and subsequent economic downturn, young people have experienced greater barriers in entering sustained long term employment. Since the start of the downturn in 2008 unemployment among 16-24 year olds in Scotland has risen from 55,000 in 2008 to 81,000 in 2013 (Labour Force Survey, May 2014). This represents an increase of 26,000 over the period although there has been a decrease of 2,000 from the previous year (2013). Table 5 (below) reveals the impact of the 2007 Financial Crises on both unemployment rates and levels of economic activity of young people between the ages of 16 and 25. Between 2007 (the year before the Crises) and 2013, Unemployment rates increased by 8.2% for this age group whilst inactivity rates increased by 8.4%. Importantly however unemployment and economic inactivity rates include young people in full time education who are taking positive steps to improve their long-term employment prospects. In addition young people who are studying full-time are often also employed in part-time posts that are not included in existing data relating to this groups.

Table 5: Rates of Unemployment and Economic Inactivity amongst Young People (aged 16-25) between 2002 and 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployed</th>
<th>Economically Inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>14.6%</td>
<td>23.9%</td>
</tr>
<tr>
<td>2007</td>
<td>12.4%</td>
<td>28.7%</td>
</tr>
<tr>
<td>2012</td>
<td>21.2%</td>
<td>33.3%</td>
</tr>
<tr>
<td>2013</td>
<td>20.6%</td>
<td>37.1%</td>
</tr>
</tbody>
</table>


Importantly however as Figure 19 (below) indicates a significant proportion of young people who are unemployed or economically inactive who have low levels of educational or training qualifications or no qualifications at all. Many of these young people face multiple disadvantage
during childhood and a disrupted education as a consequence. Young people who are particularly vulnerable include young people in the care system, young people in the justice system and young carers. The range of support services which cater for these groups of young people can provide support and direction to enhance their job prospects. The Scottish Government’s Prevention Strategy is aimed at supporting young people not in employment, education or training through a multi-sectoral approach across a range of policy and employment areas with a focus on early intervention. Prevention measures have been found to be most effective when enhanced by tailored support to help young people re-engage with education and training (Skills Development Scotland, 2013). The most effective support for this group comprises a combination measures of supported transition into employment, work experience, internships and opportunities to re-engage in full-time learning.

Figure 19: Change in composition of Young People Aged 16 – 19 who are Not in Employment, Education or Training in Scotland between 2004 and 2012


In 2013, 29,000 (11.9%) of 16-19 year olds were not in education, employment or training. The proportion of young people who are not in education, employment or training (NEET) has decreased by 1.4 percentage points (down 4,000) since 2012. Importantly, this decrease has been driven by a decrease in the number of NEET males; in 2013, 15,000 (11.8%) males were NEET, down 4,000 (3.1 percentage points) since 2012. For females, in 2013, 14,000 (12.0%) were NEET, the level is unchanged from 2012 (however, the rate increased by 0.3 percentage points since 2012). 2013 is the first year that the proportion of NEET females is above that of males since 2004 (0.1 percentage points of a difference in 2013). However the number of 16-19 year males not in education employment or training in Scotland did increase from 12% to 14.9% between 2008 and 2012 whilst the females in this groups has remained relatively stable being at 10.8% in 2008, 11% in 2011 and 11.7% in 2012. One explanation of this gender differential
relates to overall higher rates of female participation in further and higher education in Scottish Institutions between 2003-04 and 2012-13. Exemplifying this, As Table 6 (below) indicates that apart from the year 2010-11 consistently higher numbers of females than males have qualified from Higher Education Institutions in Scotland over the past decade. It is important to note that these numbers also comprise of students from other parts of the UK, Europe and International students. This analysis suggests that preventative measures, particularly with regard to education for the most vulnerable young people in Scotland need to be further developed to take account of gender differences.

Table 6: Qualifiers from Higher Education courses at Scottish Institutions by gender, 2003-04 to 2012-13

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Males</th>
<th>Females</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>32,360</td>
<td>43,110</td>
<td>75,470</td>
</tr>
<tr>
<td>2004-05</td>
<td>34,365</td>
<td>46,680</td>
<td>81,045</td>
</tr>
<tr>
<td>2005-06</td>
<td>33,975</td>
<td>47,190</td>
<td>81,165</td>
</tr>
<tr>
<td>2006-07</td>
<td>35,435</td>
<td>47,485</td>
<td>82,920</td>
</tr>
<tr>
<td>2007-08</td>
<td>36,015</td>
<td>47,315</td>
<td>83,335</td>
</tr>
<tr>
<td>2008-09</td>
<td>37,270</td>
<td>46,760</td>
<td>83,030</td>
</tr>
<tr>
<td>2009-10</td>
<td>37,410</td>
<td>46,470</td>
<td>83,885</td>
</tr>
<tr>
<td>2010-11</td>
<td>41,215</td>
<td>41,215</td>
<td>90,480</td>
</tr>
<tr>
<td>2011-12</td>
<td>41,440</td>
<td>51,430</td>
<td>92,870</td>
</tr>
<tr>
<td>2012-13</td>
<td>42,285</td>
<td>53,295</td>
<td>95,580</td>
</tr>
</tbody>
</table>

Sources: Higher Education Statistics Agency (HESA) and Scottish Funding Council

The proportion of entrants to HE that come from the 20% most deprived areas of Scotland rose to 15.8% in 2012-13 from 15.1% in 2011-12 (19.3% of the working age population live in the 20% most deprived areas of Scotland). Entrants from deprived areas remain over-represented in Scotland’s colleges (22.8%) and under-represented amongst Scotland’s HEIs, particularly ancient universities (8.2%) and small specialist institutions (7.4%). In 2012-13, entrants from deprived areas were under represented by 3.5 percentage points. In 2004-05 under-representation of this group stood at 4.6 percentage points. Figure 5 provides an overview of the level of representation of Scottish domiciled entrants from deprived areas. The number of Scottish people aged 21 to 24 graduating from University has increased by 2,445 (6.4%) between 2011-12 and 2012-13. The majority of those graduating (55.6%) in 2012-13 were aged under 25. The number of people resident in Scotland graduating from University aged 25 to 29 has increased by 58.9% (6,965) since 2003-04.

The number of all entrants from deprived areas increased slightly from 14.9% in 2004-05 to 15.8% in 2012-13. Whilst numbers did stabilize at the time of the Global Financial crises in 2008 there has been a 1% growth in numbers of Scottish domiciled entrants from deprived areas to higher education in the UK since 2008-09.
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All entrants from deprived areas 18 to 24</td>
<td>14.9</td>
<td>15.0</td>
<td>15.0</td>
<td>14.8</td>
<td>14.9</td>
<td>15.1</td>
<td>15.4</td>
<td>15.1</td>
<td>15.8</td>
</tr>
<tr>
<td>% of Scottish population living in deprived areas</td>
<td>19.8%</td>
<td>19.7</td>
<td>19.6</td>
<td>19.8</td>
<td>19.2</td>
<td>19.1</td>
<td>19.0</td>
<td>19.0</td>
<td>19.3</td>
</tr>
<tr>
<td>% of Scottish working age population living in deprived areas (19)</td>
<td>19.5</td>
<td>19.4</td>
<td>19.4</td>
<td>19.0</td>
<td>19.0</td>
<td>18.9</td>
<td>18.8</td>
<td>18.8</td>
<td>19.3</td>
</tr>
<tr>
<td>Under-representation of total population from deprived areas</td>
<td>-5.0</td>
<td>-4.7</td>
<td>-4.6</td>
<td>-4.5</td>
<td>-4.3</td>
<td>-4.1</td>
<td>-3.6</td>
<td>-3.9</td>
<td>-3.5</td>
</tr>
<tr>
<td>Under-representation of working age population from deprived areas</td>
<td>-4.6</td>
<td>-4.4</td>
<td>-4.4</td>
<td>-4.2</td>
<td>-4.1</td>
<td>-3.8</td>
<td>-3.4</td>
<td>-3.7</td>
<td>-3.5</td>
</tr>
</tbody>
</table>

Table 7: Scottish domiciled entrants from deprived areas to higher education in the UK 2004-05 to 2012-13
1.6.2 People with Disabilities

In 2013, 47.8% of people with a disability were economically inactive. This has reduced from 49.4% in 2008. The employment rate for people aged 16-64 with a disability in Scotland was 46.3% in 2011 falling to 45.6% in 2013, a decrease of 0.7%. This represents a larger decrease than that seen for the 16-64 population as a whole (down 0.1 percentage point). Over the two year period there has been a slight shift out of employment and into unemployment for disabled people. As Figure 20 (below) shows, the employment rate for disabled people is subject to wide regional variations in Scotland.

Figure 20: Employment Rates: Disability (16-64) Scotland: 2012

Source: Annual population survey January to December 2012

Standing at 45.6% in 2012-2013 the employment rate for disabled people is lower than any other group of working age people in Scotland, (the average employment rate for people with disabilities in Europe is 52% (Eurostat, 2013). The employment rate for this group contrasts sharply with the overall employment rate of 71.8%. Significantly employment rates for disabled people in Scotland have decreased from 49.4% in 2008 to 45.6% in 2012-13 a reduction of 3.8%. However before the crises there had been some improvements in rates of employment.
Between 2004 and 2010, employment rates increased from 42.4% to 46.9% suggesting that the economic crises has impacted significantly on this group. Recent measures have had some positive impact and the employment rate for people aged 16-64 with a disability decreased by 0.6 percentage points from 46.3% in 2011 to 45.6% in 2012, a larger decrease than that seen for the 16-64 population as a whole (down 0.1 percentage point) (ONS, 2014). Over the year there has been a shift out of employment and into unemployment for disabled people. Self-employment rates tend to be higher for disabled people. Between October 2012 and September 2013, the self-employment rate for disabled people was 14.9% compared to 11.1% for non-disabled people. (ONS, 2014). The closure of a number of Remploy factories by the UK Government since 2012 has resulted in a number of redundancies of disabled people and has had a significant impact on disabled people entering and sustaining a position in the labour market. Recent measures introduced by the Scottish Government to offset these closures include the Remploy Employment Incentive in 2013. An incentive payment of £5000 is available to employers who want to recruit former Remploy workers on a permanent basis. The payment is also available to former Remploy workers who want to set up their own business. The Incentive has been designed to help disabled Remploy workers who have been made redundant in Scotland from July 2012 onwards. Remploy is a Public Corporation and Non-Departmental Public Body of the Department for Work and Pensions. As part of the transformation of the company, a number of Remploy factories have closed resulting in redundancies. The Incentive is £5,000, payable in stages and is payable for all jobs in the public, private, and third sector and to support self-employment. Employers must retain employees for a minimum of 18 months and this subsidy is available for existing vacancies and newly created posts.

1.6.2.1 People with Disabilities and Economic Inactivity in Scotland

As Figure 21 (below) illustrates Between 2008 and 2013 there was a general shift out of inactivity into either unemployment or employment for people with disabilities. At the same time the change in employment rate is positive for disabled people, but negative for non-disabled people in Scotland. Since 2008 there has been an increase of 20,800 in the number of economically inactive people (16-64) in Scotland. There are 26,800 more economically inactive students than in 2008 and 7,900 fewer economically inactive people who were looking after the family or home than in 2008. Significantly there are now 7,100 fewer economically inactive people who are sick or disabled than in 2008.
Figure 21: Change over year and since 2008 in economic inactivity levels by reason, Scotland, 2012

Source: Annual Population Survey, Jan-Dec, ONS
Note: The employment rate is the number of people aged 16-64 in employment expressed as a percentage of the population aged 16-64. The Economic activity rate is the number of people either in employment or unemployed as a percentage of the population aged 16-64. The Economic inactivity rate is the number of people aged 16-64 neither in employment nor unemployed as a percentage of the population aged 16-64.

Changes in patterns of economic activity and inactivity amongst working age disabled people in Scotland are different across genders. Women in the labour market have fared better in the Scottish labour market, between 2009-10 to 2012-2013 disabled women’s employment rate rose by 3.9% whereas disabled men’s employment rate rose by 3.5%. Whilst only a difference of 0.4% it may indicate that measures and policies put in place to support disabled people are more conducive to the entry and maintenance of disabled women in the labour market. Interpreting these changes is complex as levels of economic activity may reflect broader transformations such changing occupational structures, impacting differentially on men and women within the Scottish Labour market. Increasing employment rates for people over the age of 50 in the Scottish Labour market may also be a result of more disabled people remaining in the workforce. Between 2001 and 2012 the rate of employment of disabled people aged 50 and over rose from 34.9% to 41.7%. (ONS, 2014). This corresponds with more general patterns regarding employment rates and age. Over the past decade there has been an increase in overall employment rates for 50-64 year olds in Scotland, (increasing from 62.9 in 2005 to 63.9 in 2013). Increasingly disabled people aged 50+ are remaining in the labour market. Significantly, trends in quarterly flows reveal that the number of people in employment aged 50 and over who develop a disability and remain in employment has increased since 2008. (ONS, 2014). This may suggest that in terms of labour market resilience and inclusion the crises has and continues to impact most upon disabled people entering the labour market for the first time and those who are in work and who have not yet acquired the skills and experience needed to fully sustain a position in the labour market. Whilst consolidating policies which maintain and improve retention rates for people who suffer impairments whilst in employment it is also important to encourage policies which support disabled people with less skills and experience in entering and
sustaining a position in the labour market. A recent report from Inclusion Scotland has noted that young disabled people are more likely to leave education and become unemployed than their non-disabled peers. (Inclusion Scotland, 2013). Based on UK and Scottish data the employment rate gap between disabled and non-disabled people expands at the age of 21 and be 25 the gap is the same average level as it is for all adults. (ONS, 2014). This demonstrates that young disabled people under the age of 25 are less likely than non-disabled people to enter and sustain employment. However, data relating to both the UK and Scottish labour market also reveals that having a degree qualification significantly improves employment outcomes for disabled people. (Scottish Neighbourhood Survey 2013; Higher Education Statistics Agency (HESA) and Scottish Funding Council, 2014, ONS, 2014). For example UK wide figures show that 60% of all disabled graduates were in employment six months after graduating compared to 65% of non-disabled graduates. (ONS, 2014). Building on this the Scottish Government have initiated and developed several innovative measures aimed specifically at disabled under gradates and graduates. Working in partnership with Scottish Disability Equality Forum, BEMIS, CEMVO and SCVO in the Equalities Internship Scheme, the Scottish Government has funded 75 Internships with a disability or long-term health condition, funded by the Scottish Government. 75 internships opportunities will be targeted at graduates with a disability or long-term health condition. Internship schemes are a useful route into employment. In 2013 the Scottish government launched the Scottish Parliament Internship Scheme for young disabled graduates (under 25 years). This innovative project provides paid internships within the Scottish Parliament as part of a drive to provide initial opportunities toward disabled people gaining elected office to address the significant under-representation of disabled people in elected office in Scotland. Members of the Scottish Parliament (MSP’s) will work with Inclusion Scotland to develop the programme. Inclusion Scotland (IS) is a network of disabled peoples' organizations and individual disabled people with a central aim to highlight the physical, social, economic, cultural and attitudinal barriers that affect disabled people’s everyday lives and to encourage a wider understanding of those issues throughout Scotland. Inclusion Scotland is part of the Independent Living Movement. The position of disabled people in the Scottish labour market is differentiated by the impairment type. The Annual Population Survey, 2013 reveals that people with depression or learning disabilities experience lower rates of employment compared to the figure for all disabled people. In addition the long-term trend for school leavers with Additional Support Needs shows that they are twice as likely to be unemployed or workless (17.2%) in comparison to those who do not have Additional Support Needs (8.9%). Whilst not all school leavers with Additional Special Needs have an impairment, Inclusion Scotland have found that in 2011/2013 more than 2 out of 3 school leavers with an ASN does have an identifiable impairment (physical, cognitive and learning difficulties. In addition school leavers with an ASN are much less likely to be in higher education (15%) compared to 40% of school leavers with no ASN. However school leavers with an Additional Special Need are over represented in further education at 40% compared to 25%. This study by Inclusion Scotland has raised serious concerns that “disabled young people are being “parked” in further education rather than being given appropriate training or work experience to enhance their future employment opportunities” (Inclusion Scotland, 2013). This concern is confirmed by a report on Modern Apprenticeships published in 2013 by the Equalities and Human Rights Commission Scotland which showed that of the 26,000 modern apprenticeships in Scotland, only 74 were taken by a person with a
declared disability. This is less than 0.5% of the available places even though 8% of 16-24 year olds in Scotland are disabled. The UK Government provides an Access to Work Fund to help to pay for practical support to enable a disabled person or a person with a health condition to start or stay I work. Aids or adaptations, special equipment, transport costs or a support work can be funded through this scheme. However, Inclusion Scotland has found that proportionately less use is made of Access to Work by disabled people in Scotland. (Inclusion Scotland, 2013). Inclusion Scotland have asserted that more should be done by agencies in Scotland including Skills Development Scotland to raise awareness amongst employers and Disabled Young People about the availability of Access to Work funding.

Overall, there is significant evidence that the position of working age people (16-64) with a disability is more precarious than other vulnerable groups within the Scottish labour market. Whilst there has been some improvement in the employment rate for disabled people since the Financial Crises. The extra pressures placed on this group by economic recession, and UK wide welfare reforms have created more barriers and challenges for this group. In particular, there is substantive research evidence revealing the barriers disabled people face in relation to income, work, education, access to goods and services and other areas.

As Hogarth et al (2009) has argued disabled people in the UK as a whole have been particularly affected by the economic crises for several reasons. Firstly, disabled workers tend to be concentrated in jobs or sectors which are more vulnerable to the economic cycle. Secondly disabled people have been particularly affected by the current UK welfare reforms and public sector cuts. The phasing out of Disability Living Allowance (DLA) (replaced by Personal Independence Payments (PIP) from 2013) and Incapacity Benefit (existing claimants of which will be migrated to Employment Support Allowance by April 2014) has been evidenced as being of concern to disabled people. In particular required medical assessments (carried out by the private company ATOS) for people who currently claim either of these benefits have been reported as being distressing for disabled people. (Scottish Government 2013). Concerns expressed by disabled people have centered on a fear that assessors will not understand the nature or complexity of impairment and/or that the assessments themselves are inappropriately designed. Recent evidence has also shown that the ‘Spare Room Subsidy’ (also known as the bedroom tax) recently implemented by the UK Government has caused significant financial distress to disabled people who utilize a spare room for specialist equipment or adaptations. The spare room is ‘taxed’ through the reduction of housing benefit available to the disabled person and/or their family. The Scottish Government gained cross party agreement from the Scottish Parliament to compensate disabled people and all groups in financial distress as a result of this ‘tax’ on housing benefit introduced by the UK Government. Thirdly, disabled people are more likely to live in low income households, and as such may be disproportionately affected by changes to benefits, and increases in food and fuel prices and increases in indirect taxes (such as VAT). As a result of their lower incomes, some disabled people may be more likely to rely on publicly funded services, like transport. Also, depending on the nature and severity of their impairment, disabled people may make more use of social services (for help at home or for equipment and adaptations) Hogarth et al (2009). Any changes or cuts to services as a result of restrictions to public sector budgets thus have significant implications for disabled people. The Scottish government have implemented a number of universal and targeted measures which
support people with disabilities during the economic recession. In particular measures such as free medical prescriptions and public transport have been found to be particularly beneficial for people with disabilities. (Equalities and Human Rights Commission, Scotland, 2013)

Young people with disabilities have been placed in a particularly precarious position since the crises. As evidence from Inclusion Scotland, (2013) and Equalities and Human Rights Commission Scotland (EHRC) (2013)) has shown current provision has not effectively addressed the barriers faced by disabled young people making the transition between school and employment. The low rate of participation in Modern Apprenticeship schemes (standing at 0.5% of all 16 to 24 year olds participating in the scheme in 2013)) is of particular concern. Whilst the Scottish Government has provided some innovative programmes specifically for disabled young people graduating from higher education institutions in Scotland, this only benefits the minority of young disabled people (15%) who gain entry to higher education in the first place. As Inclusion Scotland have argued for most disabled young people between the ages of 16 to 24 the transition between school and employment is rendered difficult by a range of barriers and challenges. This analysis has identified the need for greater use of cross-sectoral policies including innovative approaches to education and training, investment in accessible transport housing and integrated health and social care to provide support for disabled people across all age groups but most particularly for young people making the already difficult transition between school and employment.

### 1.6.3 Ethnic Minorities

In the 2011 Census in Scotland, 96% of the population described their ethnicity as being 'white' (this includes people from Polish and Gypsy / Traveler communities) whilst 4% described their ethnicity as 'non-white' (this includes people from Asian, African, Caribbean and mixed backgrounds). The proportion of the non-white population in Scotland has increased by two percentage points since the 2001 census. Cultural minority groups such as Polish and Gypsies / Travelers may also be classified as ethnic minorities when looking at employability issues, although they are part of the white population figures. Whilst there are variations within the group, ethnic minorities overall have lower employment and higher inactivity rates than the general population. Annual Population Survey data for Scotland shows that in 2012:

(i) The employment rate for ethnic minorities was 60% compared to 71% amongst the white population.

(ii) The economic inactivity rate for ethnic minorities was 33%, compared to 23% amongst the white population.

(iii) Of the ethnic minorities in work, many are employed in low skilled and low paid jobs.

In 2011, The Joseph Rowntree Foundation paper, ‘Poverty and Ethnicity in Scotland’, found that employment rates were high among A8 migrants and particularly low among Pakistanis and Bangladeshis, especially women. It combines the visible minority ethnic groups
together into a 'non-white' category, to show that overall, white households tend to show more contrast than non-white ones: in white households, the adults are more likely to either all be working or to have no one in work, whereas in non-white households it was more likely that there would be a mix of working and non-working adults. Relatively few non-white households contain no one of working age (1.5% vs 15.4% for white households), and most (85.6%) contain two or more adults of working age. However, only a third have all adults in employment, compared with 43.6% of white households. At the same time, only one fifth of non-white households have all adults unemployed or inactive, compared with 28.5% of white households. Nearly half of non-white households (46%) have a mixture of employed and unemployed or inactive members, compared with 27.8% of white households.

In terms of employment trends as Table 8 (below) shows between 2004 and 2007 the employment rate (16-64) for ethnic minorities increased each year from 2004 to 2009. However, subsequent reductions in the rate through 2009 and 2010 saw it fall back to a similar level to 2005. Between 2009 and 2013, the rate has risen by 2.2% percentage points from to 57.8% to 60%. The drop in rates for ethnic minorities between 2007 and 2009 (65.9% to 57.8%) was greater than the drop in employment rate for all people aged 16-64 (73.8% to 71.9%); this suggests that employment rates for ethnic minorities were more affected by the recession. The EHRC's Review of Research (2013) observes that a possible reason why ethnic minorities in Scotland exhibit lower economic activity and employment rates is the relatively high rates of participation in education associated with the relative youth of the working-age ethnic minority population in Scotland. However, as the EHRC’s research also observes further research is needed to fully understand why there are higher levels of economic inactivity by ethnic minority groups in Scotland.

Table 8: Employment Rate for Ethnic Minorities in Scotland 2004/05 to 2012/13

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>53.3%</td>
<td>42,800</td>
</tr>
<tr>
<td>2005-2006</td>
<td>57.8%</td>
<td>49,200</td>
</tr>
<tr>
<td>2007-2008</td>
<td>60.0%</td>
<td>56,800</td>
</tr>
<tr>
<td>2008-2009</td>
<td>65.9%</td>
<td>66,300</td>
</tr>
<tr>
<td>2009-2010</td>
<td>61.2%</td>
<td>61,300</td>
</tr>
<tr>
<td>2010-2011</td>
<td>57.8%</td>
<td>68,300</td>
</tr>
<tr>
<td>2011-2012</td>
<td>58.3%</td>
<td>72,300</td>
</tr>
<tr>
<td>2012-2013</td>
<td>60.0%</td>
<td>73,700</td>
</tr>
</tbody>
</table>


The Scottish Government have recently implemented several measures designed to support migrant workers entering and sustaining a position within the labour market. These measures include:

(i) The Equalities Internship Scheme Working in partnership with BEMIS, CEMVO and SCVO in the Equalities Internship Scheme, the Scottish Government has funded 75 will be open-recruitment with applications actively invited and welcomed from graduates from ethnic minority communities.
Talent Scotland provides support and access to advice for migrant workers and works in partnership with other organizations including MCCOP in Scotland.

1.6.4 Older Workers

Figure 22: Duration of Unemployment and age group: Scotland, 2013

Older workers are more likely to be unemployed for 24 months or more and approximately 27.9% of this age group had been unemployed for 24 months or more in the period to and including 2012 - 2013. In 2013 approximately 47% (98,100) of all unemployed people in Scotland had been unemployed for less than 6 months and 35% (73,100) had been unemployed for 12 months or more. Two thirds of this group (47,600) are males. As evidenced earlier in this report at 20.6% the youth unemployment rate is highest of all the age groups. However, of those unemployed, they are the least likely age group (at 11.6%) to be unemployed for 24 months or more. Importantly, the employment rate for workers aged 50 - 64 increased from 62.9 in 2005 to 63.9 in 2013, increasing year on year before and after the crises (ONS, 2014). Recent evidence has revealed the challenges encountered by older workers at times of economic crises. In particular, in common with workers from all age groups older workers faced the challenge of adapting to occupational changes. Whilst adaptive learning may occur throughout a working career, workers who experience long periods without substantive upskilling or re-skilling may find that they are more vulnerable to changes in occupational environments as they may be locked into specific ways of working. As the analysis above reveals whilst employment rates for
people aged between 50 and 64 have increased incrementally before, during and after the 2008 crises those people within this age group who find themselves unemployed are more likely to be long-term unemployed than any other age group in Scotland (Figure 22). Recent evidence, has revealed the positive impact of embedded learning (learning whilst working) as well as learning within formal educational institutions. Importantly, recent initiatives by Skills development Scotland have encouraged business-education links and programmes which utilize both embedded learning and skills development/acquisition within the workplace alongside programmes within formal and higher education. Taking a vocational approach which encourages skill development rather than simply an employability approach the goal of these joint programmes is to enable older workers and indeed workers from all age groups to take more control over their working lives.
Section 2: Policy Responses To The Financial Crises of 2008: Key Trends in Innovation

2.0 The Purpose Framework

Figure 23: The Purpose Framework

The current Scottish Government’s approach to increased sustainable economic growth is illustrated in Figure 23 (above). Investment in supply side growth drivers including the stimulation of labour market participation through a range of social and employment measures is bolstered by measures which characterize long-term growth and economic resilience. Here, investment in social and economic policies designed to reduce inequalities and enhance environmental sustainability are regarded as being as equally important to short term capital investment in business to ensure increased productivity, efficiency, competitiveness and resource efficiency. A particular issue for labour market resilience and inclusion within Scotland is Cohesion. Socio-economic disparities between regions in Scotland have been evidenced in this report as a key challenge for future economic growth. Addressing this the Scottish Government has utilized local Partnership and Co-Production to ensure that investment optimizes existing potential for economic and community development. In Scotland, in 2013 the Scottish Government supported a two-year pilot programme to identify and then develop 10 PSPs to provide co-planning and delivery of services to local communities. The PSP Scotland Project comprises three stages: social enterprises working with public sector purchasers to design a service; a consortium of public sector and social enterprises participating in a short-term pilot, helping to refine service delivery parameters; and the service is then further
Social and employment policies developed on the basis of partnership and co-production are contextualized within a positive long term model of community development, practices and processes which are part of a wider strategic approach to alleviate the impact of cuts in services on vulnerable groups by encouraging wider community participation. Social and employment policies initiated, developed and implemented through local partnership and co-production are regarded as being fundamental to the development of economic, business, and community capacity and resilience to respond effectively to challenging economic conditions. In addition investment in Prevention and Early Intervention has been used to further support disadvantaged communities. 

Exemplifying this The 2013 Children and Young People’s Bill (Scotland) included an extension to the level of free early learning and childcare from 475 hours per year to a minimum of 600 hours per year. This form of social investment is underpinned by a dual rationale. Firstly, it ensures that all young children have access to early learning opportunities with clearly evidenced educational benefits for vulnerable groups. Secondly it enables more women to participate in the labour market, promoting gender equality whilst also supporting economic and revenue growth. Increased levels of Social Investment have been adopted in redress both regional disparities and broader levels of inequality and poverty in Scotland. For example, it is Scottish Government policy that directly-employed Scottish Government and NHS employees are paid the Living Wage (Living Wage (Scotland) Bill, 2013. In parallel with this policy in December 2011, the Local Government and Regeneration Committee examined the implications and potential for the implementation of the Living Wage by local authorities across Scotland. An important example of measures to address regional socio-economic disparities is The Glasgow Living Wage. Glasgow is a city which includes pockets of severe deprivation. As has been evidenced Glasgow also has higher levels of workless and low income households than any other region in Scotland. To address this and the growing levels of poverty resulting from the Financial crises of 2008 and subsequent austerity measures Glasgow City Council implemented the Glasgow Living Wage in 2009. All members of staff directly employed by the Council are paid the Living Wage. In addition all the Council supports businesses who pay all of their staff at or above the Glasgow living Wage by recognizing them as a “Glasgow Living Wage Employer”. These employers are registered on the Glasgow Living Wage website and able to display the Glasgow Living Wage Logo on all of their marketing materials. There are currently 167 private and public sector employers within Glasgow city who pay the Living Wage to a current total of 50,000 staff. Glasgow City Council and the Scottish Government have also asserted that private and third sector contractors employed by national and local government should be encouraged to pay the Living Wage. The argument being that companies benefitting from public money should demonstrate that they are investing something back into their communities. Hence it is argued that procurement policy should be used to raise standards of pay both at national and local level in Scotland. Increasingly across the European Union18, Community Benefit Clauses (CBCs) are incorporated into public procurement contracts in order to ensure a wider social impact beyond the narrow focus of a given public contract. Importantly, under proposals for the EU’s Social Business Initiative, public procurement procedures will be revised to ensure greater consideration for ‘social and environmental criteria and the integration of vulnerable and disadvantaged persons’ The Living Wage has also been evidenced in a number of recent studies as a mechanism for supply side growth which increases levels of productivity, competitiveness
and resource efficiency. (Lucchino, and Morelli, 2012. Lawton and Pennycook, (2013); KPMG, 2013). In particular, recent evidence from KPMG; a major private sector organization employing 700 in-house and outsourced Facilities staff in the UK have found that paying the living wage and improving other benefits such as holidays, sick pay and insurance has provided a number of benefits to the company. In particular, productivity improved as attitudes of staff became more flexible and positive. The company has had fewer complaints and staff turnover has decreased significantly. As a result the introduction of The Living Wage and associated employment rights to staff within this company has not occurred additional costs. Improvements in productivity, and efficiency have enhanced the competitiveness of the company. (KPMG, 2013). This illustrates the way in which sustained economic growth at times of recession involve supply side growth drivers such as increased Productivity and Competitiveness working in tandem with longer term growth drivers such as Solidarity and Social Cohesion. As the evidence in this report has shown it is also important to note that Small and Medium Enterprises have less capacity to implement The Living Wage and initial external support is required before medium and long term gains in productivity and competitiveness are realized.

Since 2007, The Scottish Government (2007; 2014a) has, implemented the National Performance Framework (NPF). The NPF has a stated ‘core purpose - to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth’. (Scottish Government, 2007). The Scottish Government seeks to turn this broad ‘constructed advantage’ purpose into specific policies and measures of success in two main ways. First, it articulates in more depth its national approach via a ‘purpose framework’ - linked to targets gauging its economic growth, productivity, labour market participation, population, income equality, regional equality and (emissions based) sustainability - and five ‘strategic objectives’:

1. Wealthier and Fairer - Enabling businesses and people to increase their wealth and more people to share fairly in that wealth.
2. Healthier - Helping people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.
3. Safer and Stronger - Helping communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.
4. Smarter. Expanding opportunities to succeed from nurture through to lifelong learning ensuring higher and more widely shared achievements.
5. Greener. Improving Scotland's natural and built environment and the sustainable use and enjoyment of it.

These objectives are further detailed within sixteen ‘National Outcomes’ and fifty ‘National Indicators’. Here Prevention underpins many strategic objectives such as education and health contributing to a number of national indicators including:

(i) Poverty - Reduce the proportion of individuals living in poverty; improve access to suitable housing options for those in housing need; improve the skill profile of the population.

(ii) Early Years - Increase the proportion of pre-school centers receiving positive inspection reports; Improve levels of educational attainment; Reduce children's
deprivation; Increase the proportion of young people in learning, training or work; Improve children's services; Improve children's dental health; Increase the proportion of babies with a healthy birth weight; Increase the proportion of healthy weight children

(iii) Health - Increase physical activity; Improve self-assessed general health; Improve mental wellbeing; Reduce premature mortality; Reduce emergency admissions to hospital; Reduce the percentage of adults who smoke; Reduce alcohol related hospital admissions; Reduce the number of individuals with problem drug use; Reduce reconviction rates.

(iv) Environment - Reduce Scotland's carbon footprint; Increase the proportion of journeys to work made by public or active transport; Reduce waste generated.

A central tenet of the approach of the current Scottish Government is to build upon ‘the assets of communities and individuals’ with a focus on partnership and collaboration between the public sector, business community and wider civic society. Illustrating this, policies aimed at young people in the Scottish labour market involve a synchronization of measures which focus on Prevention and Early Intervention, Partnership and Co-Production; Social and Economic Investment approach involving a plethora of innovative measures and approaches including:

(i) The implementation of Employer Orientated Measures including; ‘The Employer Recruitment Incentive’. This innovation adopts a dual response to the crises by bolstering labour market resilience and inclusion by stimulating the supply of quality jobs for young people with special tailored measures for young people who face significant challenges. This new scheme introduced in 2013 is funded jointly by the Scottish Government and European Social fund and aims to provide job opportunities for young people before they become long-term unemployed. Working in partnership with private sector employers the Scottish Government partly funds new youth jobs (created over and above existing workforce needs of the company). The new positions are strictly regulated and private sector employers must ensure employee rights and conditions outlined below to receive this funding. Where a company commits to creating a new youth job, it will receive a 50% cash incentive (of the salary cost of employing the young person excluding National Insurance) for at least 6 months. This scheme also includes ‘The Employment Recruitment Incentive with Additional Measures’ for young people who are facing additional challenges or barriers in entering the labour market. Young people who benefit from this programme include those who have previously been looked after by the state (looked after children leaving care), this funding benefits private sector employers, primarily small and medium sized enterprises (SMEs). The programme will create up to 10,000 opportunities for SME’s to recruit young people and involves the creation of 25,000 Modern Apprenticeships and the Intermediate Vocational Education and Training (VET) system to complement further and higher education. The underlying rationale of this approach is to ensure improved connectivity and cooperation between education and work and to ensure that employers are adequately engaged with young people. The underlying tenet governing these measures is partnership between employers and education encouraging employers to view
themselves as co-investors/co-designers rather than purely consumers. (Scottish Government, 2013)

(ii) The introduction of the Curriculum for Excellence in 2012 was closely aligned to extensive reforms of post 16 Education under the auspices of the Commission for Developing Scotland’s young Workforce which aimed to improve transitions between general education and vocational and further education and training; stimulate work awareness and work readiness and make the best use of work experience placements. The Curriculum for Excellence is also based upon Prevention and Early Intervention through the delivery of new qualifications and the implementation of a revised assessment framework which aims to improve attainment for all children and young people with a particular focus on those children and young people from deprived backgrounds. More broadly this closer alignment between different stages of education and vocational training are coordinated within an economic strategy aimed at delivering qualifications and skills relevant to growth sectors of the Scottish economy; For example the STEM initiative has been designed to encourage the number of young people with qualifications in Science, Technology and Engineering qualifications and training opportunities. This includes the establishment of an Energy Skills Academy to support the creation of skills in oil and gas, renewables, thermal generation and carbon capture and storage industries. A further example is the South East Scotland Academies Programme which offers 15–18 year old pupils from secondary schools in South East Scotland skills development and career opportunities. The four Academies include: The Creative Industries Academy; The Health and Social Care Academy; The Food Science Nutrition Academy; and The Hospitality and Tourism Academy. Working in partnership .Employers, educationalists, local authorities and governmental bodies have committed £4.6 million of funding to develop the four academies. The Scottish Government is proposing to roll out the scheme across Scotland.

(iii) A range of measures have been instituted to support young people in the transition from education to work (See Section Three for further examples) In particular the Opportunities for All initiative offers all 16 to 19 year olds in Scotland a place in education or training. However, implementing the Youth Guarantee programme in full (a preferred approach of the Scottish Government) requires powers over employment services which currently reside with the UK Government. The Opportunities for All initiative brings together a range of existing national and local policies and strategies as a single focus to improve young people’s participation in post 16 learning or training, and ultimately employment, through appropriate interventions and support until at least their 20th birthday. The scheme builds upon and strengthens existing entitlements and commitments to support transitions to youth employment through the senior phase of Curriculum for Excellence, including the development of skills for learning life and work, transitions through 16+ Learning Choices and the targeted support offered through More Choices, More Chances (MCMC). The Scottish Government has consistently prioritized young people within its labour market policies: working strategically across Government with national partners from both the private and third sector. ‘The
Opportunities for All’ scheme is based upon a whole-system improvements approach and is rolled out for delivery through local authorities. The programme includes ‘Activity Agreements’ to support the most vulnerable 16-19 year olds in Scotland. Importantly, Scotland continues to provide Educational Maintenance Allowances to support students through their further education studies. £31.6 million per year is being provided in financial support to the most vulnerable young people in Scotland to enable them to continue in education and learning following school leaving age. The Scottish Government is also currently focusing on improving women’s participation in the labour market in recognition that their position has been made more difficult since the 2008 Financial Crises. In particular measures are being implemented to encourage more young women into science and engineering, looking at the opportunities for women in key industries such as renewables and IT, and tackling underlying issues of gender inequality.

The Third Sector Internships Scotland (TSIS) programme involves strategic engagement with the Third Sector in Scotland. Third Sector Internships Scotland helps students to find high quality paid work experience in the Third Sector and contribute to the work of Scotland’s third Sector organizations. TSIS is being delivered by Queen Margaret University, The Open University in Scotland and the Scottish Council for Voluntary Organizations, with support from universities across Scotland. TSIS is funded by the Scottish Funding Council as part of Learning to Work 2, a multi-programme initiative which aims to enhance student employability through increasing the availability of work placements. TSIS also offers support and guidance to voluntary organizations, charities and social enterprises to help them develop and host quality internships which pay the living age and offer relevant training for the mutual development of the student and the third sector organization.

(iv) As the data in this report has confirmed a central concern is underemployment and young people are particularly vulnerable to the underemployment of their skills. A long term planning approach to skills underemployment has led to the development of a number of measures including the creation of 25,000 apprenticeship opportunities in 2012 to 2013 within an overall training target of 46,500 places; A further key strand of government policy in this area has been a focus on equal opportunities to lifelong learning. Responsibility for the co-ordination of these measures resides with Skills Development Scotland, an organization instituted in 2007 to;

(a) Promote access to, and stimulate relevant, high quality and innovative learning and skills development for the Scottish population
(b) Advance education and skills development and the promotion of lifelong learning and skills development amongst individuals and businesses.
(c) Provide information, advice and guidance, including guidance relating to career and learning choices, to people of all ages;
(d) Provide support and funding to individuals for learning and skills development;
(e) Develop and provide training programmes to build employability skills and to provide information and support to employers to develop the skills of employees.
(f) Promote and deliver **equality of access** and opportunity in service delivery.

(g) Facilitate **collaborative partnerships in lifelong learning and skills development**.

(h) Promote and facilitate **local lifelong learning opportunities** and local development of skills.

(i) A key strand of the Scottish Government’s approach is investment in education at all levels. In particular, there is a commitment to continue to maintain free access to higher education by ensuring that the opportunity to learn is based on ability to learn, not the ability to pay. **Significant social investment** has been made in Higher Education since the Financial Crisis in 2008. A key focus is ‘Putting Learners at the Centre, with plans for the reorganization of further and higher education. This includes the provision of a minimum student income of £7000 for students in higher education, starting with the poorest students and providing a simpler, accessible and transparent system for students that ‘recognizes the financial pressures of the current economic conditions on all families (Scottish Government, 2013). The aim of this programme of educational reform is to support jobs and growth, improve life outcomes and deliver better outcomes with existing resources as part of the ‘constructive advantage’ rationale.

### 2.1 Trend One: Partnership and Co-Production

**Social and Employment policies designed around notions of** Partnership and Co-Production have been implemented in Scotland as part of the strategic response to the 2008 Financial Crisis. A central rationale of the approach is to reconfigure the relationship between communities, business and the public sector in order to mitigate the impacts of the economic recession, austerity measures and welfare reforms particularly with regard to the reduction or withdrawal of public services or welfare entitlements. In particular, a number of employer orientated initiatives have been developed to directly mitigate the effects of economic recession on small businesses and reduced expenditure in employment or social policies at UK level. A key aim of co-production is to offset the impact of severe budget cuts implemented at UK level. Importantly however social and employment policies developed on the basis of partnership and co-production are also part of the positive ‘bottom up’ model of community development, practices and processes. Alongside other measures co-production is being used to advance and promote civic engagement as part of a wider strategic approach to alleviate the impact of cuts in services on vulnerable groups by encouraging wider community participation. Social and employment policies initiated, developed and implemented through local partnership and co-production are regarded as being fundamental to the development of economic, business, and community capacity and resilience to respond effectively to challenging economic conditions. (Scottish Government, 2013). Reductions in public spending implemented by the UK government are a particular threat to the most disadvantaged communities in Scotland. Notions of Partnership and Co-production in local communities in Scotland have been strategically developed as a way of countering the deficit approach of public sector delivery. This focuses on the identification of tangible and sustainable solutions to build economic social and labour market resilience at local level. Community Planning Partnerships (CPP’s) and Local
Employability Partnerships (LEP’s) are utilized to facilitate community/ business/civic partnerships and collaborations. Community engagement is a statutory responsibility integrated across all policy areas in Scotland. This is supported by the Scottish Community Empowerment Action Plan and through measures to support community asset and land ownership. Social and Employment policies designed to facilitate resilience and inclusion within local labour markets benefit from this local approach to regeneration, housing and community health. This approach is seen as pivotal to regeneration of communities where there are clear indicators of long term deprivation, and associated socio-economic outcomes including, lower levels of educational attainment, health inequalities and precarious labour market attachments. Here, co-production is implemented alongside more targeted early intervention and prevention strategies. (Scottish Government, 2013)

Social and employment policies which combine partnership; co-production; early intervention and prevention are also driven by the need to ensure long term sustainability of measures against projected levels of finance and demand. Community engagement in the development of these strategies and measures is also central to this approach. The approach to co-production adopted by the Scottish Government focusses on the notion that the local ‘core economy’ is comprised of all the resources embedded in people’s everyday lives, time energy, wisdom, experience, knowledge and skill. Here the co-production of capacity building is achieved through shared responsibility, between communities, businesses and public services. Scottish policy objectives including the development of education and skills, community regeneration and more positive health outcomes contribute to specific outcomes set out in Scotland’s National Performance Framework, particularly national outcome 11: to develop strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others. This approach is part of an integrated approach to community led health and regeneration initiatives. Importantly this approach is outcome orientated requiring investment in members of the local community. Exemplifying the capacity building potential of this approach recent employer orientated measures are designed to facilitate capacity building by requiring Small and Medium Enterprises to create entirely new roles in their business to qualify for funding. This creates the potential for young people to fully engage with businesses in an innovative way by identify local needs or market potential whilst also providing the opportunity for business growth. At the same time employer recruitment incentives meet broader Scottish policy objectives relating to inclusive and resilient labour markets particularly in relation to young people’s knowledge and skill development. More broadly, this approach also encourages local authorities and community planning partnerships to protect vulnerable communities by ‘realigning’ mainstream budgets towards activities which build local economic and labour market resilience and business capacity. Skills Development Scotland is instrumental in coordinating and facilitating skills development in local communities and a central concern of the current Scottish Government is to evaluate the local labour market and business outcomes of recently implemented measures such as the employer recruitment incentive. (Scottish Government, 2013)
2.2 Trend Two Prevention and Early Intervention

Prevention and Early Intervention have increasingly become embedded in social and employment policy approaches since the onset of the 2008 Financial Crises. Innovative policies directed at vulnerable groups within the Scottish labour market are underpinned by a policy making process which fundamentally involves a preventative approach. Here, measures developed in response to the Financial Crises of 2008, focus on reducing inequalities and therefore demand for acute level services by providing effective early intervention services and measures (Scottish Government, 2011). This is evidenced by an increasing emphasis on preventative spending. The Scottish Government allocated £500 million to Prevention in the period between 2011-12 to 2014-15. Preventative measures often combine social and employment objectives. Exemplifying this, The 2013 Children and Young People’s Bill (Scotland) included an extension to the level of free early learning and childcare from 475 hours per year to a minimum of 600 hours per year was. This measure has the dual purpose of ensuring that all children have access to high quality early learning and socialisation opportunities whilst also enabling more women to participate in the labour market.

Whilst overarching policies at National level are outlined in the National Performance Framework the delivery of preventative measures at local level is very much dependent upon distinct local socio-economic conditions, challenges and opportunities. As the previous section has shown policy making in Scotland involves high levels of engagement with unions, voluntary groups, the private sector, local authorities and health agencies and professional bodies. Policies are often delivered by local authorities who whilst referring to the National Performance Framework work very closely with a range of local public, private and voluntary organisation to develop shared aims which are relevant to their local areas. Single Outcome Agreements are developed at local level in Scotland. These agreements represent longer-term aims and cooperation and offer a bottom up approach to the development of preventative and social investment strategies at local level

Whilst local authorities share a broad commitment to the National Performance Framework outlined by the Scottish Government. Single Outcome Agreements give local authorities the scope they need to define prevention strategies according local socio-economic conditions. Policy learning is impacted upon by specific local conditions including distinctive aims, perspectives and reference points.

The overarching aim underpinning preventative strategies outlined within the National Performance Framework, (Scotland) is to support the most disadvantaged communities in Scotland. A holistic approach to regeneration is adopted with the aim of supporting economically, physically and socially sustainable communities. A central challenge identified by the Scottish Government is that attempts to reduce of child poverty and broader inequalities are being ‘undermined by the UK Government’s welfare reforms’. (Scottish Government, 2013)
With this challenge in mind innovation is defined ‘the use of available resources to mitigate the worst effect of the UK’s welfare reforms and protect the most vulnerable’ in Scottish society (Scottish Government, 2013). By developing a whole system approach to prevention policy the current Scottish Government encourages the public, third and private sector providers to work in partnership at local level thereby reducing duplication. This approach is based upon the findings of The Christie Commission Report, 2011. The Commission was established to consider the implications of challenging social and economic in Scotland following the 2008 Financial Crises and subsequent economic recession. In particular the Commission examined ways to reduce social and economic inequalities; improve ‘social and economic wellbeing’ and improve the efficiency and effectiveness of public services. This work was carried out in the context of the likelihood of reduced budgets for over 10 years; and, (c) rising demand for many public services, resulting from a combination of demographic change, such as an ageing population, and ‘failure demand’ (the high cost of a public service). A key finding was that prevention policies should focus on inequalities in areas such as training and work with a specific focus on social and employment measures to meet the needs of deprived areas and populations (Christie Commission, 2011). The range of innovative social and employment policies described in this report indicates a focus on these two areas. In terms of delivery, third sector organisations are instrumental in delivering early years and early intervention activities and funding is particularly directed towards children and young people who face the greatest difficulties including those with disabilities in Scotland. The Getting it Right for Every Child (GIRFEC) approach is embedded within the Children and Young People Bill, (Scotland), 2013 which ensures that every child and young person gets the support and help they need when they need it. The provision of a range of measures designed to support young people to develop the skills they need to enter and sustain a position with the labour market is embedded within the Skills and Employability Pipeline. (Skills Development Scotland, 2012)

Adopting a systematic cross government approach to youth employment The Scottish Government appointed a Minister for Youth Employment in 2010. Adopting an all-Government and all-Scotland response to youth unemployment a range of agencies became involved in supporting young people to gain and sustain employment. This approach to skills and employability support is characterised by 6 stages:

(i) **Initial engagement with those furthest from the labour market**

Many young people experience disrupted school education. This occurs for a broad range of interrelated reasons which may be linked to multiple and complex disadvantages. In many cases this leads to poor educational outcomes. As the analysis in this report has shown, low levels of educational qualifications and skills create significant disadvantage in the labour market, regardless of economic conditions. The analysis of the position of vulnerable groups in the Scottish Labour Market has also evidenced that a degree level qualification can significantly strengthen the position of young people who have a disability. Re-engagement with education and training for all young people who have been disengaged from education is a critical stage in the transition to sustained employment. Re-engagement involves a broad range of innovative measures tailored to the needs of each young
person. A system of Activity Agreements involving local Youth Employability Partnerships has been developed to re-engage young people within education in their local community. Community learning and development, volunteering activity and co-ordinated educational and training opportunities are integrated within this programme. The Life skills strand of Get Ready for Work provision is also available at this stage to enable young people to develop personal and transferable skills in readiness for employment.

(ii) **Engagement in structured education and training**

The Scottish Government works in partnership with the Scottish Consortium for Development and Industry (SCDI) and Skills Development Scotland (SDS) to develop quality work experience opportunities for young people. Supporting young people as they enter and sustain more structured forms of provision within post-16 education and training also includes local authority funded community learning and development provision and a range of activities supported by the third sector. Further Education Colleges in Scotland also offer support to young people. Complementing this the Department of Work and Employment (UK Agency) offers support to young people in their search for work.

(iii) **Mainstream Post-16 Education and Training**

Support for young people entering mainstream post-16 education or training in further education colleges, universities or training programmes is offered in the form of skills and knowledge development through internships at undergraduate and post-graduate level, Modern Apprenticeships and more tailored work experience opportunities for young people with additional challenges or barriers. Examples of recent innovative programmes developed by the Scottish Government include the Employee Recruitment Incentive Scheme. This scheme includes a parallel scheme designed specifically for young people facing additional challenges, including disability, those who have experienced local authority care and young people who have previously had involvement with the justice system.

(iv) **Workplace Based Pre-Employment Training**

For young people already equipped with the skills and qualifications required to enter the labour market, the main barriers are often related to the lack of meaningful work experience within quality work environments. This kind of experience is highly valued by employers. Skills Development Scotland’s (SDS) Get Ready for Work programme has a significant degree of work experience within the content of the programme. In addition SDS’s ‘Targeted Pathways programme’ is based on work experience in specific sectors of interest to young people. The Department of Work and Pensions (UK Agency) also offers 8 week work experience opportunities to
young people aged 18 and over who have been unemployed for less than 9 months as part of the Youth Contract.

(v) **In Work Support**

Young people can still receive support whilst they are in work in order to help them sustain employment and also progress in their workplace. At this stage a range of Scottish Government and local authority funded programmes are available to support the training needs of young people whilst they are engaged in work. Training provided by schemes such as the Modern Apprenticeship programme already include embedded training directly related to the sector or occupation in which the young people are employed. There are also other training opportunities available through further and higher education institutions and Community Jobs Scotland. Support for young people as they make the transition between school and employment is tailored to individual needs and most of the programmes offered can be accessed at any point on this journey. Importantly this approach is also related more broadly to all age groups as part of The Lifelong Skills Strategy in Scotland developed in 2010 as a response to the Financial and Economic Crises of 2008.

(vi) **The Lifelong Skills Strategy** focusses on three areas:

a. **Individual development**
b. **Responding to economic and employer need**
c. **Creating cohesive structures**

The Scottish Government implemented a new skills strategy in 2010 to accelerate economic recovery and promote labour market resilience and inclusion. The National Training Programme was developed to include increased numbers of Modern Apprenticeships and training places to support the unemployed flexible training places have been developed to meet the needs of businesses. In addition European Social Funning was used to secure all-age Modern Apprenticeships as well as targeted pathway places for 16-17 year olds. The need to improve competitiveness and productivity to foster economic and labour market resilience has led to the development of an employment strategy defined by four key priorities.

(i) **Supporting employers** by better understanding and assessing the skills they need for future success, and ensuring that the supply of skills, training and qualifications can be responsive to this;

(ii) **Empowering people** to ensure they have the opportunity to access the right advice, support and opportunities to acquire the skills and attributes to both contribute to and benefit from future economic success;

(iii) **Simplifying the skills system** to ensure that it is more coherent and easy to understand for individuals and employers; and strengthening partnerships
Collective responsibility between public, private and third sectors to help improve skills and the contribution they make towards achieving Scotland's social and economic aspirations. A fragile economic recovery and contracting public sector resources has also encouraged support for innovative initiatives led by third sector employability specialists and other third sector organisations including social enterprises supporting innovative and entrepreneurial models.

**Department for Work and Pensions (DWP) (UK) Support for Young People in Scotland**

The UK Department for Work & Pensions is currently responsible for the delivery of employment services in Scotland for those in receipt of benefits. These services are both managed directly by DWP and delivered by Jobcentre Plus Scotland. The current Scottish Government argues that these services could deliver more effective outcomes if responsibility were devolved to Scotland. The rationale underpinning this argument is that current arrangements lead to fragmented delivery of provision and that services for young people would be more effective if they were integrated into the employability and skills system that is already a devolved responsibility of the Scottish Government. Currently however the Scottish Government is committed to working with the UK Government in as efficient and effective way as possible. Scottish initiatives and measures do not compete or duplicate services provided by the UK Government. Exemplifying this there is a strong working relationship between Scottish Government Agencies responsible for supporting Young People such as Skills Development Scotland and Scottish Enterprise (Scottish Government) and Jobcentre Plus Scotland (an agency of the UK Government).

**Local Authority Support for Young People: Local Employability Partnerships**

A central principle of preventative and investment measures for young people is that local authorities, and Local Employability Partnerships are essential in providing effective support to young people entering the labour market in Scotland. This principle is based on the view that local employability partnerships are best placed to understand and respond to challenges specific to their areas. Employability partnerships in Scotland aim to ensure that provision is aligned to the needs of local labour markets and to reduce duplication of the support they offer young people and that offered by the Scottish and UK Governments through Skills Development Scotland and the Department for Work and Pensions.

**2.3 Social Investment for ‘Constructive Advantage’**

Since the 2008 Financial Crises the Scottish Government has focussed largely upon a dual social investment approach designed to build economic and labour market resilience through ‘constructive advantage’. Innovative programmes to support vulnerable groups in the labour market are combined with significant inward investment in key economic growth sectors. More broadly this approach is located within cross cutting public sector policies intrinsically linked to the ‘Solidarity Purpose’ defined as “unlocking the economic potential of all individuals will
support economic growth by increasing labour market participation and by removing the personal and social costs of poverty.” Here economic growth is regarded as being contingent upon reducing income inequality and the improvement of access to employment opportunities especially for those on lower incomes.

Underpinning this approach, the Scottish Government’s broader infrastructure investment is designed to support Scotland’s long term economic development, while supporting economic recovery in the short and medium term. In particular capital investment in innovative social and employment policies aim to provide employment opportunities for people to mitigate the impact of the 2008 Financial Crises, subsequent economic recession and austerity measures implemented by the UK Government. A great deal of social investment has been implemented to support young people. Exemplifying this, the Scottish government recently published an Infrastructure Investment Plan detailing the allocation of £9 billion public procurement spending to intrinsically promote economic growth and jobs. Current Public Procurement clauses in Scotland include requiring every company in receipt of a significant Government contract to produce a training and apprenticeship plan. This is particularly beneficial to young people in the Scottish labour market. In addition community benefit clauses are used within procurement contracts to support employability and targeted recruitment and training through public sector contracts. Innovative social and employment policies are also underpinned by long term preventive strategies aimed at young people. Exemplifying this a central part of the investment strategy implemented in 2013 has a long term focus which includes £16.25 million allocated to;

(i) A national employer recruitment initiative that will create up to 10,000 opportunities for SME to recruit young people; and

(ii) The establishment of an Energy Skills Academy to support the creation of skills in oil and gas, renewables, thermal generation and carbon capture and storage industries.

These two innovative strategies articulate the underlying principle underlying the current Scottish Government’s approach to economic and labour market resilience. Investment in the National Employer Recruitment Initiative focuses on a shared responsibility and partnership approach with a dual strategy to supply side drivers including productivity and competitiveness and longer term growth strategies including, social cohesion and solidarity. At the same time the establishment of an Energy Skills Academy illustrative of a long term approach to economic recovery and resilience. This involves a very strong emphasis on environmental planning focussing upon the capture of the geographic potential of renewables to sustain future energy requirements within Scotland benefitting export potential and ensuring transition to a low carbon economy. There are currently 70,000 people employed in the low-carbon economy and the Scottish Government aims to increase this to 130,000 by 2020. Renewable industry projects have already secured over £750 million worth of investment since 2011. Exemplifying the potential of the renewables the offshore wind industry has the potential to support 28,000 jobs and 20,000 indirectly related jobs potentially generating approximately £7.1 billion for the Scottish economy by 2020. This strategy is supported by economic investment in enterprise areas and support for small and medium size businesses through instruments such as Business Rate Relief, Business Gateway services. Enhancing this, SMART Scotland funds are designed
to increase business innovation and ensure that interventions provided to businesses and universities are more closely aligned. In addition, £7 million has been committed to the Cities investment fund and the Scottish Government is working closely with Scottish Development International (SDI) and its partners to attract new inward investment within the context of Scotland’s International Trade and Investment Strategy aimed at providing an additional 25,000 to 35,000 jobs through inward investment between 2011 and 2015.

The Scottish Government has also piloted new models of social investment to secure greater resources to support the shift to prevention. In particular there has been significant investment in social enterprises. In 2013, over 3000 social enterprises existed, employing over 100,000 with a combined annual turnover of £3.1 billion (Scottish Enterprise, 2013). Social Investment in Education, Lifelong learning and Early Intervention is also regarded as being central to economic recovery and long-term economic growth. There are a plethora of innovative social and employment measures aimed at enabling children and young people to achieve their potential. Early intervention is also regarded as ensuring better and more effective use of public resources by reducing the short term and long term need for more expensive crises intervention expenditure whilst also improving the life chances of Scotland’s most vulnerable children and young people. Pivotal to this investment approach is the implementation of the Curriculum for Excellence which the Scottish Government argues is critical to enabling all young people to successfully enter and sustain a position within the European labour market by equipping young people with broader social skills providing them with a greater capacity to participate as active global citizens. Central to the new Curriculum is the development of critical thinking and initiative.

A central tenet of this investment in employment policies is that structural factors determining the opportunities presented by the labour market, are as important, and often more important than personal attributes and circumstances in determining the risk of poverty. As such policies that simply encourage people to find work, without paying attention to the kind of jobs, education and skills training that are available, cannot secure a marked reduction in recurrent poverty or a sustained decline in the poverty rate. The heavy investment in high quality work and the promotion of the living wage represents a central strand of a preventative approach shifting the historically heavy balance from crises management towards early intervention to ensure that individuals have the opportunity to reach their potential in the labour market. As Section Three (below) reveals many of the innovative measures implemented to support vulnerable groups and resilient labour markets are defined by a combination of prevention, social investment for ‘constructive advantage’ and co-production principles.

Infrastructure and Procurement

The Scottish Government's infrastructure investment is designed to support Scotland's long term economic development, while supporting economic recovery in the short and medium term. In particular, the capital investment programme provides employment opportunities for people of all ages. However, there is considerable focus on young people. Exemplifying this 80 of the 380 new jobs being created by the New South Glasgow Hospitals have so far gone to 16-24 year-
olds, 140 of the 180 work placements on offer have been set up for young people and 88 apprenticeships will be created.

**Third Sector Investment**

Regarded as a key social partner in the planning, design and delivery of public services in Scotland, the Third Sector has benefitted from significant investment since 2008. Funding is directed at building the capacity and effectiveness of the third sectors contribution to public policy and the development of the sector’s role in developing innovative preventative programmes and supporting social enterprise initiatives. Business development support is provided to support third sector organisations. A cross-sector policy approach which includes the third sector and the public sector is adopted to ensure maximum benefit of programmes of preventative spend for young people and other vulnerable groups within the Scottish Labour Market. Community Planning Partnerships are central to the design, development and implementation of preventative programmes involving the Third Sector in Scotland.

### 2.3.1 Social Investment Aimed at Women in the Scottish Labour Market

In April 2014, creation of a Cabinet level Secretary for Training, Youth & Female Employment within the Scottish Government (a role previously designated as Minister for Young People) is a measure which aims to bolster the sustained participation of young people and women within the Scottish Labour Market. Whist current policy measures in Scotland have been successful in raising levels of youth employment since the 2008 crises and at 1,233,000 the number of women in employment in Scotland has reached a 21 year high, (ONS, 2014). Increased participation of women in the labour market is central to the current Scottish Government’s policy approach to economic and labour market resilience. A central proposal within this strategy is the development of universal free childcare provision to significantly raise participation of women in the Scottish labour market particularly in relation to full time employment. Innovative measures implemented since 2010 include;

(i) The **CareerWISE** initiative which aims to encourage more young women into a career in science, technology, engineering and small business start-ups.

(ii) Investment specifically aimed at improving opportunities for women through the **Modern Apprenticeship Scheme**.

(iii) Working in partnership with Carers Scotland the Scottish Government has also implemented a **Kitemark Scheme** for employers who support unpaid carers in their workforce. Statistically the highest proportion of unpaid carers in Scotland are women however this scheme applies to both men and women.

(iv)

### 2.3.2 The Living Wage

67
Investment in the Living Wage is regarded as central to future labour market resilience at national level in Scotland. Several local authorities have also adopted this approach. Exemplifying this, Glasgow City Council has implemented the Glasgow Living Wage based on the view that for long and short-term unemployed people an important part of the process of applying for jobs involves ‘the better-off calculation’ and money advice work with people as they approach employment. Historically, minimum-wage jobs have not made financial sense, particularly for families. Living wage jobs make much more financial sense and are more attractive. In-work benefits are predicted to reduce in the coming five years. For this reason it is argued that living-wage jobs will become “more attractive than minimum-wage jobs”.

The contradiction between in work support (with the aim of reducing child poverty) and continuing levels of low income is that it reduces the capacity of the state to combat child poverty. In addition it may be argued that “an excess of in-work dependence” on the state has been created. Moreover, the cost of in-work support for public expenditure means that most of the remuneration for low waged workers comes from the state rather than private employers that are responsible for paying them. (The Scottish Government, 2013). The Scottish Government also argues that the living wage would lead to an increase in disposable income and greater spending power thereby stimulating consumer demand within the Scottish economy. Several local authorities in Scotland support this view. For example, South Lanarkshire Council has argued that employees who earn the living wage tend to spend money locally and the money goes back into local businesses. In addition North Ayrshire Council noted that people who lived in the area also spent in the area and that the living wage therefore had a ‘circuitous benefit’ to the local economy. A number local authorities have implemented the living wage in Scotland to bolster local economic and labour market resilience. This is closely aligned to the implementation of the living wage at a national level in Scotland. The Scottish Government pays the living wage to all employees directly employed by the government and to all National Health Service (NHS) workers whilst also encouraging private sector employers to pay the living wage particularly those who are engaged in contracts with the Scottish Government.
### SECTION THREE: Selected policy innovations: Trends, Strategic Objectives and Targeted groups: Table 9

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Priority Group</th>
<th>Trend</th>
<th>Strategic Priority Area(s)</th>
<th>Network participants and Governance</th>
<th>Measures and Aims and Objectives of Innovation</th>
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<tbody>
<tr>
<td>1</td>
<td>The Living Wage</td>
<td>All workers in Scotland</td>
<td>Social Investment Prevention</td>
<td>Solidarity; Stimulate Economic Participation; Increase Productivity, Competition and Resource Efficiency; Cohesion; Reduce Disparity between Regions of Scotland</td>
<td>Initiator: The Scottish Government</td>
<td>Employer Orientated</td>
</tr>
</tbody>
</table>
2

Employer Recruitment Incentive: Start Date: 2013

<table>
<thead>
<tr>
<th>Trend</th>
<th>National (Scotland): Scheme may be accessed by all local authorities in Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention and Early Intervention</td>
<td>Initiator: The Scottish Government in partnership with employers</td>
</tr>
<tr>
<td>Social Investment</td>
<td>Employer Orientated</td>
</tr>
<tr>
<td>Partnership and Co-Production</td>
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</tbody>
</table>

Solidarity; Stimulate Economic Participation; Increase Productivity, Competition and Resource Efficiency; Cohesion; Reduce Disparity between Regions of Scotland

This innovation adopts a dual response to the crises by bolstering labour market resilience and inclusion by stimulating the supply of quality jobs for young people with special tailored measures for young people who face significant challenges. This new scheme is funded jointly by the Scottish Government and European Social fund aims to provide job opportunities for young people before they become long-term unemployed.

Working in partnership with private sector employers the Scottish Government partly funds new youth jobs (created over and above existing workforce needs of the company).

The new positions are strictly regulated and private sector employers must ensure employee rights and conditions outlined below to receive this funding. Where a company commits to creating a new youth job, it will receive a 50% cash incentive (of the salary cost of employing the young person excluding National Insurance) for at least 6 months. This funding benefits private sector employers, primarily small and medium sized enterprises (SMEs).

**Public sector employers are not eligible for the recruitment incentive.**

Third sector employers (e.g. social enterprises) who are not participating in the Community Jobs Scotland programme may be eligible for support via Youth Employment Scotland to create job opportunities for work-ready 16-19 year olds who have been unemployed for less than six months. All jobs created must be in addition to the existing workforce and offered on the terms that the job is sustainable. The young person needs to be productively employed for the duration of the programme. A job description must be drawn up outlining the duties and scope of the role. There must be a contract of employment drawn up with includes the terms and conditions. The national minimum wage, appropriate to the age of the individual, should be paid to all employees supported by the recruitment incentive. Employers or Local Authorities can also supplement this.

**Responsibilities of Employers and Local Authorities**
Employers must agree a fixed contracted number of hours of employment for the duration of the 26 weeks. The contracted hours must be between 25-40 hours per week. Employers must be able to provide evidence of payment to the young person.

Local Authorities in Scotland are responsible for

■ Working with employers to source additional youth workforce opportunities
■ Selecting applicants and referring the most suitable candidates for interview
■ Working with the employer to ensure the young person has a job description which outlines the structure and scope of the job
■ Ensuring the young person has a contract of employment notifying them of terms and conditions
■ Ensuring the young person has a line manager appointed to them
■ Acting as a mentor throughout the 6 month opportunity.

Outcome

The programme will continue to support young people to enter sustained employment including, where appropriate, another opportunity such as an apprenticeship. The local authority and the business will provide onward and transitional support should the job opportunity not be sustained after 6 months. The same employer can only use the scheme again provided they can offer an additional job that meets the eligibility criteria.
<table>
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<th>3</th>
<th>Employer Recruitment Incentive: Special Additional Measures for young people who face significant challenges. Start Date: 2013</th>
<th>Prevention and Early Intervention</th>
<th>Solidarity; Stimulate Economic Participation; Increase Productivity, Competition and Resource Efficiency; Cohesion; Reduce Disparity between Regions of Scotland</th>
<th>National (Scotland): Scheme may be accessed by all local authorities in Scotland</th>
<th>Employer Orientated</th>
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<tbody>
<tr>
<td></td>
<td>Young people between the ages of 16 and 24 who also faces significant challenges</td>
<td>Social Investment Partnership and Co-Production</td>
<td></td>
<td>Initiator: The Scottish Government in partnership with employers.</td>
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|  | | | | Employer Orientated | |}

This is a special additional measure within the Employer Recruitment Incentive Scheme whereby employers are being given an added incentive to help a young person, who may be facing significant challenges, to gain sustained employment. Over the next two years (until March 2015), Employer Recruitment Incentive (ERI) payments of £1,500 will be made available to employers who recruit a targeted young person (TYP) as a Modern Apprentice (MA) or into employment of 15 hours or more per week.

Young people aged 16-24 who also faces significant challenges including:

1. young people with disabilities;
2. young people leaving care,
3. young carers,
4. young people who have been convicted or cautioned for a criminal offence and has completed their sentence.

<table>
<thead>
<tr>
<th>4</th>
<th>Remploy Employment Incentive: Start Date: 2013</th>
<th>Remploy Workers (Workers with disabilities) who have been made redundant through closure of the scheme by UK Governmen t</th>
<th>Solidarity; Stimulate Economic Participation; Increase Productivity, Competition and Resource Efficiency; Particularly with Regard to Skills Underutilization</th>
<th>National (Scotland): Scheme may be accessed by all local authorities in Scotland</th>
<th>Employer Orientated</th>
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<td></td>
<td></td>
<td>Prevention and Early Intervention</td>
<td>Cohesion; Reduce Disparity between Regions of Scotland</td>
<td>Initiator: The Scottish Government in partnership with employers.</td>
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<td>Social Investment</td>
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<td>Employer Orientated</td>
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An incentive payment of £5000 is available to employers who want to recruit former Remploy workers on a permanent basis.

The payment is also available to former Remploy workers who want to set up their own business.

The Incentive has been designed to help disabled Remploy workers who have been made redundant in Scotland from July 2012 onwards. Remploy is a Public Corporation and Non-Departmental Public Body of the Department for Work and Pensions. As part of the transformation of the company, a number of Remploy factories have closed resulting in redundancies.

The Incentive is £5,000, payable in stages:
### The Remploy Employment Incentive

- **£1,500 on commencement of employment or self-employment**
- **£1,500 on achievement of 26 continuous weeks employment or self-employment**
- **£1,000 on achievement of 52 continuous weeks employment or self-employment**
- **£1,000 on achievement of 78 continuous weeks employment or self-employment.**

The Remploy Employment Incentive is:
- payable for jobs in public, private or third sector or to support self-employment
- available to an employer on the basis of a commitment to retain the employee for a minimum of 18 months
- available for filling existing vacancies or newly created opportunities and must not displace existing posts
- available to start within a period of 18 months after each individual’s date of redundancy

### The Glasgow Guarantee

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<tr>
<th>The Glasgow Youth Guarantee</th>
<th>Start Date: 2009</th>
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<tr>
<td>Young people between the ages of 16 and 24</td>
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<tr>
<td>GLASGOW National</td>
<td></td>
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<tr>
<td>Initiator: Glasgow City Council, Skills Development Scotland: Education Providers and Employers</td>
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</table>

The Glasgow Guarantee is aimed at providing a job, apprenticeship or training place for everyone in the city aged between 16 and 24. It is unique in the UK. It guarantees every qualifying school leaver a modern apprenticeship in the city, helping 2300 young people into apprenticeships since 2009. Funded entirely by Glasgow council, this provides every young person aged 16-24 with guaranteed support in the form of education, training or a job. The Glasgow Guarantee is unique in the UK. Funding for the guarantee has recently doubled from £25 million to £50 million to accommodate opportunities arising from the Commonwealth Games in 2014.
| Third Sector Internships Scotland | Students between the ages of 17 and 25 | Prevention and Early Intervention Social Investment Partnership and Co-Production | Increase Productivity, Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Scotland Scheme may be accessed by all local authorities in Scotland National Initiator: The Scottish Government in Partnership with Education Providers (Universities) and Third Sector Employers |

Third Sector Internships Scotland helps students to find paid work experience in the Third Sector. TSIS is being delivered by Queen Margaret University, The Open University in Scotland and the Scottish Council for Voluntary Organisations, with support from universities across Scotland. The Steering Group includes representatives from Glasgow Caledonian University, University of Dundee, University of Aberdeen, and University of the West of Scotland, University of Stirling, and Student Volunteering Scotland.

TSIS is funded by the Scottish Funding Council as part of Learning to Work 2, a multi-programme initiative which aims to enhance student employability through increasing the availability of work placements.

Through the TSIS programme, students are offered excellent opportunities to develop their skills and experience whilst contributing to the vital work of Scotland’s third sector. TSIS also offers support and guidance to voluntary organizations, charities and social enterprises to help them develop and host quality internships that really do make a difference.

The TSIS programme covers five core areas of activity:
- Internship development
- Recognizing achievement and promoting reflective practice
- Employer engagement and support
- Developing resources and relationships for sustainability
- Learning, evaluation and dissemination

Internships are offered through a competitive recruitment and selection process. All posts are advertised on this website and through university careers services and the Good Moves website.
Positions are open to all levels of undergraduate and post-graduate students. Internships vary in terms of their focus, duration and location. Internships can be up to the equivalent of 10 weeks' full-time work (350 hrs.) and can be offered on both a full-time and part-time basis. All TSIS internships are paid at the Living Wage rate.

<table>
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<th>7</th>
<th>Partnership Action for Continuing Employment (PACE)</th>
<th>Individuals and businesses who are facing redundancy issues</th>
<th>Solidarity Cohesion Increase Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment</th>
<th>National Initiator: The Scottish Government in Partnership with Local Authorities, Skills Development Scotland: Education Providers and Employers</th>
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<td></td>
<td>The national strategic framework for responding to redundancy, Partnership Action for Continuing Employment (PACE) Start date: June 2009 Delivered on behalf of the Scottish Government by Skills Development Scotland, has been strengthened to meet the challenges of recession. The PACE Partnership, brings together the Scottish Government, local government, industry partners, and all agencies with an interest to oversee a continuous improvement programme to enhance the operation of PACE, to ensure accessibility for individuals and employers. PACE is flexible and responsive to ensure that when a redundancy takes place there is a coordinated response from the public sector which offers help to individual workers quickly and effectively. PACE is a unique Scottish partnership initiative which provides support to employees when an organization announces redundancies. The initiative established by the Scottish Government is being delivered by Skills Development Scotland and supported by the STUC, offering a service to help individuals and businesses who are facing redundancy issues. Recent improvements to PACE have included the establishment of a dedicated helpline and an improved website which will open the services to more individuals and employers. Skills Development Scotland and Job Centre Plus will be working closely together to create a seamless service between skills</td>
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Opportunities for All initiative which offers all 16 to 19 year olds in Scotland a place in education or training. However, implementing the youth guarantee in full requires powers over employment services which currently reside with the UK Government.

The initiative brings together a range of existing national and local policies and strategies as a single focus to improve young people's participation in post 16 learning or training, and ultimately employment, through appropriate interventions and support until at least their 20th birthday.

The scheme builds upon and strengthens existing entitlements and commitments to support youth employment through the senior phase of Curriculum for Excellence, including the development of skills for learning life and work, robust transitions through 16+ Learning Choices and the targeted support offered through More Choices, More Chances (MCMC). Opportunities for All initiative which offers all 16 to 19 year olds in Scotland a place in education or training. However, implementing the youth guarantee in full requires powers over employment services which currently reside with the UK Government. The Scottish Government continues to prioritize young people: working strategically across Government with national partners from both the private sector and the third sector. The scheme is based upon a whole-system improvements approach and is rolled out for delivery through local authorities.

The Scottish Government provides financial and practical support for local partners, including:

(i) specific grant funding in 2012-13 for local authorities to coordinate local delivery of Opportunities for All (building on previous 16+ Learning Choices and Activity Agreement funding);

(ii) A Post-16 Transitions Policy and Practice Framework which reflects the importance of robust transition planning at both initial and subsequent transitions and providing greater clarity on how we support effective transitions for young people with additional support needs;
| 9 | The Scottish Investment Bank’s Loan Fund | Social Investment | Increase Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Scotland | Initiator: The Scottish Government | Employer Orientated | A supply side innovation. The Scottish Investment Bank’s Loan Fund is supported by Scottish Government funding of £50 million. £20 million of which is Structural Funding – and is helping to ensure improved access to finance and creating a better environment for business. SME’s particularly benefit from this. The aim of the Scottish Investment Bank is to support Scotland’s economic growth by: “Growing Scotland’s private sector funding market to ensure that both early stage and established SMEs with growth and export potential have adequate access to growth capital.” (Scottish Investment Bank, 2013) The Fund has been supported by government funding of £50 million – £20 million of which is Structural Funds and is helping to ensure improved access to finance and creating a better environment for business |
| 10 | STEM | Young people between the | Prevention and Early Intervention | Cohesion | Scotland | STEM North of Scotland is an initiative developed by Highlands and Islands Enterprise (HIE) to increase the number of young people between the |
|------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Social Investment Partnership and Co-Production | Increase Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Sustainability, Enhance the Environment and Reduce Omissions | Initiator: The Scottish Government in partnership with Local Authorities and Education Providers | This is a Partnership initiative designed to enable young people to gain access to a range of Science, Technology, Engineering qualifications and training opportunities both in Scotland and in Europe. STEM industry ambassadors support young people within the region. |
| Enhanced Vocational Inclusion Programme: Looked after young people between the age of 15 and 24 | Prevention and Early Intervention Social Investment Partnership and Co-Production | Solidarity: Cohesion: Stimulate Economic Participation: Increase Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Glasgow Initiator: The Scottish Government in Partnership with Local Authorities, and Education Providers | EVIP is a well-established alternative to mainstream education which offers young people who are disengaged from education the opportunity to study vocational qualifications in a college/workplace environment. Young people are referred by their Learning Community Joint Support Team which has representatives from Education, Social Work and Psychological Services. Young people should also be "looked after" in some way by the local authority. |
| Project SEARCH | Young People with learning difficulties | Prevention and Early Intervention Social Investment | Solidarity Stimulate Economic Participation: Increase Productivity, Competition and Resource Efficiency: Particularly | Collaborative project between the University, Aberdeen-based charity Inspire and Aberdeen College. Aberdeenshire | Project SEARCH is a collaborative project between the University, Aberdeen-based charity Inspire and Aberdeen College. The three Aberdeen partners were selected to undertake the project by the Scottish Consortium for Learning Disability (SCLD) which oversees the initiative in Scotland. The programme is also supported by Aberdeen City Council and Aberdeenshire Council who have funded some of the programmes resources. |
The one-year programme sees 12 Project SEARCH Interns, who are all students from Aberdeen College, spending a month in a classroom environment before embarking on work placements in various roles and departments within the University.

| 13 | More Choices, More Chances implemented in 2006 | Vulnerable, disengaged and hard to reach young people between the ages of 16 and 24 | Prevention and Early Intervention | Social Investment | Partnership and Co-Production | Solidarity | Cohesion | Increase Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Across all local authorities in Scotland | Initiator: The Scottish Government in Partnership with Local Authorities, Education Providers and Employers | More choices, More chances offers a range of targeted support measures for vulnerable, disengaged and hard-to-reach young people who may need more support in making the transition between education and employment. The More Choices, More Chances Partnerships across Scotland have adopt a range of strategies in developing policies and practice for young people making the transition between education and employment. |

| 14 | Get Ready for Work (GRfW): Start Date: 2007 | Young People between the ages of 16 and 25 who face extra challenges in making the transition between education and employment | Prevention and Early Intervention | Social Investment | Partnership and Co-Production | Solidarity | Cohesion | Increase Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Scotland | Initiator: The Scottish Government in Partnership with Local Authorities, Education Providers and Employers | Employer Orientated | Get Ready for Work is targeted at young people who, without tailored work based support, are unable to make the transition to sustained employment opportunities Progression Any intervention must have a focus on positive and sustained outcomes. A significant part of this programme requires training providers to work with employers, further education colleges and other learning providers to improve the amount, variety and quality of suitable progression routes available for young people within their local area. Employer engagement is central to the delivery of this programme. Training providers are encouraged to build capacity of local employers to work with this group of young people, developing a common understanding of the aims of the intervention. The programme aims to ensure that Flexible learning provision is increasingly focused on the needs of individuals, employers and the wider economy. |
Measures are not limited to time constraints and provide flexibility for individuals. Interventions recognise that young people have a variety of starting points and there will need to be subsequent flexibility throughout the duration of the programme to enable positive and sustained progressions. In order to encourage ambition partnership working between key agencies is encouraged to ensure the physical, mental and emotional well-being of all participants. This includes positive and confident promotion which includes links with pre-16 activity to highlight all potential learning opportunities for the learner and create a more cohesive learning environment.

The scheme is also inclusive and flexible enough to meet legislative equality duties and to engage all eligible young people, with additional support as necessary. Finally, all young people who access the scheme are provided with aftercare to ensure sustainability of outcomes and ongoing positive transitions. Interventions therefore involve targeted aftercare support could be delivered increasing sustainable outcomes.

<table>
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<tr>
<th>15</th>
<th>A Working Life for All Disabled People</th>
<th>Adults with disabilities</th>
<th>Prevention and Early Intervention</th>
<th>Solidarity</th>
<th>Initiator: The Scottish Government And local authorities The Supported Employment Framework for Scotland National</th>
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<tr>
<th>16</th>
<th>Skills Towards Employment Project (Step)</th>
<th>Prevention and Early Intervention</th>
<th>Solidarity</th>
<th>Scotland South Ayrshire Council</th>
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</thead>
</table>

A programme of integrated measures involving provision and support individuals who face complex barriers in accessing the labour market. A partnership approach involves the Community Planning Partnerships and a range of third sector organizations.

(STEP) aims to improve the employability skills of young people who face specific barriers into entering employment, education or training. Young people can be referred to STEP by Social Work, Education, Health and Careers workers. Young people can also self refer to the project. Every young person referred to STEP is allocated a support worker. Through 1-1 work, the young person’s needs in relation to employment, education and training are assessed and an action plan is
<table>
<thead>
<tr>
<th></th>
<th>Partnership and Co-Production</th>
<th>Prevention And Early Intervention Social Investment</th>
<th>Solidarity Stimulate Economic Participation;</th>
<th>Initiated by Scottish Government</th>
<th>Programmes of activities and learning opportunities are offered to support the action plan.</th>
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</thead>
<tbody>
<tr>
<td>17</td>
<td>Supported employment Helping people with disabilities into work.</td>
<td>People with disabilities in North Lanarkshire</td>
<td></td>
<td></td>
<td>This project supports all disabled people into work through a series of measures designed to enable sustained transitions into employment, education and training.</td>
</tr>
<tr>
<td>18</td>
<td>Get Ready for Work Initiative</td>
<td>All public and private sector workers in Scotland.</td>
<td>Solidarity Cohesion</td>
<td>Scottish Government in partnership with local authorities</td>
<td>Get Ready for Work supports young people (16-18 years of age) to move into employment, further training or further education by helping them focus on what they want to do. Young people can also learn new skills and get the confidence they require to move onto further training, learning or into work. Participants can expect help to create an individual training plan which will be tailored to meet individual circumstances. The initiative will also give individuals the opportunity to try different types of work via work tasters or work placements to help decide the best type of job or career for that individual.</td>
</tr>
</tbody>
</table>
| 19 | Integrated Employability Service | Young people between the ages of 14 and 19 | Solidarity Cohesion Stimulate Economic Participation; | Initiated by Edinburgh City Council | The Integrated Employability Service (IES) in Edinburgh ensures Jobs Strategy partners work together. Priority areas for the Jobs Strategy are:  
- Young people (14-19 years)  
- In-work poverty and low pay  
- Early intervention for short term unemployed  
- Support for regeneration and vulnerable individuals  
The IES model is based upon the following criteria:  
(i) A sustainable employability model that is responsive to labour market need, drives continuous improvement and delivers best value on investment  
(ii) Strengthen economic actions within the city's Community Planning structure as part of a coordinated effort on poverty reduction |
The local IES Employability Hubs are central to the Strategic Skills Pipeline, and are supported by the Get On Gateway access points. The Employability Hubs offer a range of employability services at locations across the city and help ensure anyone in Edinburgh can access a service appropriate to them.

| 20 | Wage subsidy programme | Young People between the ages of 16 and 25 | Prevention and Early Intervention Social Investment Partnership and Co-Production Social Investment | Solidarity Cohesion | Initiated by West Lothian Council in partnership with local employers Employer Orientated | West Lothian Council offer wage subsidy positions to small/medium employers based within West Lothian. The wage subsidy will pay 50% of a young person’s wage for up to 52 weeks. Based within West Lothian the scheme involves locally owned and managed companies which employ under 50 employees and are able to create an additional opportunity for a young person and offer a minimum of 26 hours per week. |
| 21 | Modern Apprenticeships | Young People between the ages of 16 and 25 | Prevention and Early Intervention Social Investment Partnership and Co-Production Social Investment | Solidarity Cohesion Stimulate Economic Participation; Productivity, Competition and Resource Efficiency; Particularly with regard to reducing Skills Underemployment | Scotland National Initiator: The Scottish Government in Partnership with Local Authorities, Skills Development Scotland: Education Providers and Employers | Modern Apprenticeships are training based employment schemes and have been implemented across Scotland. There are 25,000 Modern Apprenticeships available in Scotland. |
| 22 | Business Gateways | SME’s and Micro business. | Prevention and Early Intervention Social Investment | Solidarity Productivity, Competition and Resource Efficiency, particularly | Scotland Initiator: The Scottish Government in | Business Gateways provide an interface between education and business in Scotland. Providing advice and support to SME’s and micro businesses and linking support to curriculum development with further and higher education. |
| Queen Margaret University Business Innovation Zone | University Students and local SME’s and Micro business. | Prevention and Early Intervention Social Investment | Partnership and Co-Production Social Investment | Productivity, Competition and Resource Efficiency: Particular with regard to reducing Skills Underemployment | Scotland Initiator: East Lothian Council in Partnership with Queen Margaret University Edinburgh. And local employers. | The East Lothian Business Gateway is located within Queen Margaret University campus. This is the only Business Gateway service located within a Scottish university and provides a one-stop-shop for business start-up and advice. The location of the Business Gateway on campus provides a resource to students and graduates interested in starting their own business. Youth Business Scotland is also be based in the Zone and they have a range of funding schemes to assist students in the development of business ideas and plans. As well as the Business Gateway, the Zone will also incorporate new business incubation space. This will offer accommodation and other facilities to small business start-ups and QMU graduates. The Business Innovation Zone at QMU http://www.qmu.ac.uk/business-gateway/ |
and to assisting entrepreneurial students and graduates considering setting up their own businesses. The service is a one-stop-shop open to any individual or small business including QMU’s students and graduates. The Business Gateway offers one-to-one advice and free workshops and seminars. It is staffed 3 days a week on a Tuesday, Wednesday and Thursday. In addition a representative from Youth Business Scotland, part of the Prince’s Trust, is available to give advice on a Monday. The University is planning to develop the innovation zone to enable even more inclusive access for young people across the community in East Lothian. The Business Gateway Service is situated on campus within the Business Innovation Zone, overlooking the 1875 restaurant on level 1. The Business Innovation Zone incorporates our business incubation space, accommodation and facilities available to QMU graduates who are setting up their own business.

The University is keen to encourage students and new graduates to develop as entrepreneurs and support small business to start up. The Business Innovation Zone provides business incubation space and easy access to the on campus Business Gateway which provides start-up businesses with guidance and support, including one-to-one advice and free workshops and seminars.

<table>
<thead>
<tr>
<th>No.</th>
<th>Program Name</th>
<th>Participants</th>
<th>Goals</th>
<th>Initiated by</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>South East Scotland Academies Partnership</td>
<td>All school children between ages 12 and 17</td>
<td>Solidarity, Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment</td>
<td>Queen Margaret University in partnership with East Lothian Council, Edinburgh College and Employers in the areas of Health and Social Care, Creative Industries, Food Science and Nutrition and Hospitality and Tourism</td>
<td>South East Scotland Academies Partnership: <a href="http://southeastscotlandacademies.org/index.html">http://southeastscotlandacademies.org/index.html</a></td>
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</tbody>
</table>

South East Scotland Academies Partnership is an innovative programme which offers 15–18 year old pupils from secondary schools in south east Scotland with a wealth of skills development and career opportunities. The pioneering academy model aligns its work with the Scottish Government’s growth agenda, while also helping pupils to move seamlessly from school to either college or university; or if they choose from school, college or university directly into employment. The four Academies include: The Creative Industries Academy; The Health and Social Care Academy; The Food Science Nutrition Academy; and The Hospitality and Tourism Academy.
Employers, educationalists, local authorities and governmental bodies have committed £4.6 million of funding to develop the four academies. In addition, a major success of the academy project has been the high-level commitment of industry partners. These specialist partners are instrumental in exposing the young people to the workings of the industry by providing placement opportunities and hands-on practical experience, and offering an insight into specialist fields. The full academy programme is part time and delivered over a two-year period (S5 and S6). However, students can choose to complete just one year before progressing to places on related courses at Edinburgh College or students can use the transferable skills they have acquired in their first year to move to other opportunities. The student commitment to the academy is over and above their normal school curriculum. For all of the academies, classes are delivered at Edinburgh College/Borders College and Queen Margaret University, and for some academies also at schools. After successful completion of the full two-year academy programme, students will be presented with a range of excellent opportunities to progress into further or higher education or go directly into employment. Students who successfully complete the academy will gain a recognized qualification to add to their CV (see individual academy pages for further information about progress to specific courses and qualification awards). As well as a qualification, successful students will have enhanced academic knowledge, practical skills and a competitive advantage in securing a place at college or university. Most importantly, it will provide students with a better chance of getting a job working in an area that is of interest to them.
| 26 | Equalities Internship Scheme | Graduates with a disability or long-term health condition and also graduates from ethnic minority communities | Prevention and Early Intervention Social Investment Partnership and Co-Production Social Investment | Solidarity | Prevention and Early Intervention Social Investment Partnership and Co-Production Social Investment | Scotland National Initiator: The Scottish Government in Partnership with Local Authorities, Skills Development Scotland: Education Providers and Employers | Inclusion Scotland working in partnership with the Scottish Disability Equality Forum, BEMIS, CEMVO and SCVO in the Equalities Internship Scheme, funded by the Scottish Government. 75 internships opportunities will be targeted at graduates with a disability or long-term health condition, and 75 will be open-recruitment with applications actively invited and welcomed from graduates from ethnic minority communities. This innovation is funded by the Scottish Government and will be delivered in partnership with the Scottish Disability Equality Forum, BEMIS, CEMVO and SCVO in the Equalities Internship Scheme, funded by the Scottish Government. 150 internships opportunities will be targeted at graduates with a disability or long-term health condition (75) and 75 Internships from graduates from ethnic minority communities. These applications will be on an open-recruitment basis with applications actively invited and welcomed. |
All applicants must hold a SCQF level 8+ qualification (equivalent to an HND, first degree, SVQ Level 4) be unemployed – either in the first 12 months of a benefit claim (pre-Work Programme) or 2 years+ (post-Work Programme), or unemployed and not claiming benefits (but must make a claim for benefits in order to apply for an opportunity)

Although employers will not be asked to contribute to the costs of the internship we require that they provide a range of additional support to the intern to improve the quality of the opportunity, including induction, regular support and supervision and provision of a reference. Internships will be available across Scotland and aim to be across a range of occupational sectors including social care, conservation, community recycling, sports, creative industries, youth work, housing, etc.

<table>
<thead>
<tr>
<th>27</th>
<th>The Learning Development Fund</th>
<th>All Scottish Employees</th>
<th>Prevention and Early Intervention</th>
<th>Solidarity</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Social Investment</td>
<td>Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment</td>
<td>Scotland</td>
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<td></td>
<td></td>
<td>Partnership and Co-Production Social Investment</td>
<td>Initiated by Scottish Union Learning Ages and the Scottish Government.</td>
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The Learning Development Fund is a partnership between Scottish Union Learning, Aegis and the Scottish Government. It provides support to a range of vocational learning to people who are both in employment and seeking access to work.

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<tr>
<th>28</th>
<th>Talent Scotland initiative; Support for Migrant Workers in Scotland</th>
<th>Migrant Workers</th>
<th>Prevention and Early Intervention</th>
<th>Solidarity</th>
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<tr>
<td></td>
<td></td>
<td>Social Investment</td>
<td>Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment</td>
<td>Scotland</td>
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<td>National</td>
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<td></td>
<td></td>
<td>Initiator: The Scottish Government in Partnership with Local Authorities, Skills Development Scotland:</td>
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</table>

Talent Scotland provides support and access to advice for migrant workers and works in partnership with other organizations including MCCOP in Scotland.
| 29 | The Kitemark Scheme | Women with unpaid carers roles entering the labour market | Prevention and Early Intervention Social Investment Partnerships and Co-Production Social Investment | Scotland | National | Initiator: The Scottish Government in Partnership with Local Authorities, Skills Development Scotland: Education Providers and Employers | The Kitemark Scheme is designed for employers who support unpaid carers in their workforce. Statistically the highest proportion of unpaid carers in Scotland are women however this scheme applies to both men and women. |
| 31 | Public Procurement Contracts: Young People | Prevention and Early Intervention | Solidarity | Scotland | National | Public Procurement clauses in Scotland include requiring every company in receipt of a significant Government contract to produce a training and apprenticeship plan. This is particularly |
| Training and apprenticeship And Community Benefit Clauses | Social Investment Partnership and Co-Production Social Investment | Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Initiator: The Scottish Government in Partnership with Local Authorities, Employer Orientated Skills Development Scotland: Education Providers and Employers | beneficial to young people in the Scottish labour market. In addition community benefit clauses are used within procurement contracts to support employability and targeted recruitment and training through public sector contracts |


| 33 | Equalities Internship Scheme, for graduates with a disability or long-term health condition | Graduates with a disability or long-term health condition | Prevention and Early Intervention Social Investment Partnership and Co-Production | Solidarity Productivity, Competition and Resource Efficiency: Particularly with regard to | Scotland National Initiator: The Scottish Government in Partnership with Local Authorities, |

Working in partnership with Scottish Disability Equality Forum, BEMIS, CEMVO and SCVO in the Equalities Internship Scheme, the Scottish Government has funded 75 will be open-recruitment opportunities with applications actively invited and welcomed from graduates from ethnic minority communities. Scottish Disability Equality Forum, BEMIS, CEMVO and SCVO in the Equalities Internship Scheme, the Scottish Government has funded 75 Internships with a disability or long-term health condition, funded by the Scottish Government. 75 internships opportunities will be targeted at graduates with a disability or long-term health condition,
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<tr>
<th></th>
<th>Social Investment</th>
<th>reducing Skills Underemployment</th>
<th>Skills Development Scotland: Education Providers and Employers</th>
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<tbody>
<tr>
<td>36</td>
<td><strong>Intermediate Vocational Education</strong></td>
<td>All Young People</td>
<td>Prevention and Early Intervention</td>
</tr>
</tbody>
</table>

The Scottish Government for the Scottish Parliament Internship Scheme for young disabled graduates. This innovative project offers paid internships within the Scottish Parliament to young disabled graduates aims to provide a small first step towards redressing the significant under-representation of disabled people in elected office.

The first Scottish Parliament Intern should be appointed shortly, and Inclusion Scotland looks forward to working with MSPs and the Scottish Parliament to develop the scheme.

**Targeted Pathways programme** is based on work experience in specific sectors of interest to young people between the age of 16 and 25.

The Intermediate Vocational Education and Training (VET) system has been designed to complement further and higher education. The underlying rationale of this approach is to ensure...
| and Training (VET) system under 25 years | Social Investment Partnership and Co-Production Social Investment | Productivity, Competition and Resource Efficiency: Particularly with regard to reducing Skills Underemployment | Initiator: The Scottish Government in Collaborative Partnership with Local Authorities, Skills Development Scotland: Education Providers and Employers | improved connectivity and cooperation between education and work and to ensure that employers are adequately engaged with young people. The underlying tenet governing these measures is partnership between employers and education with employers viewing themselves as co-investors/co-designers rather than purely consumers. |
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