

PRESS RELEASE

## YOUTH UNEMPLOYMENT: THE GREATEST SOCIAL POLICY CHALLENGE OF OUR TIME

### Increase in part-time short-term work instrumental to current employment crisis

Unemployment in young Scots aged 16-24 is at its highest since the 1992 recession and leaves us in danger of losing an entire generation, according to a new report on employment trends published by The Scotland Institute.

The report compares 2012 with the recession of the 1990s and the short-term boom under New Labour, finding that the average amount of hours worked per week by young Scots has decreased to 29 from 35.

Young Scots have been disproportionately affected by the recession and an education-led solution is not the answer, writes Executive Chairman Dr Azeem Ibrahim in the introduction.

“Today's labour market reflects the erosion of social democratic policies over the years... Today's unemployment problem does not mean that workers do not have the right skills, motivations or work ethic. It is simply that the jobs are not there.”

In the Foreword for the report, Former Labour MSP John Park who is now Policy Director for Community – Union for Life writes: “This timely report from the Scotland Institute highlights some particularly disturbing realities - not just in terms of finding work but also the quality of work that is available for those lucky enough to have a job.

The tragedy for this generation of young people is that if we do not address the scourge of youth unemployment it will not only hurt many young people directly now but it will also have an on-going negative effect throughout their lives.”

Dr Roger Cook, author of the report, combined three unique datasets to provide a unique, comprehensive analysis of why youth unemployment in Scotland has remained stubbornly high over the past 20 years, concluding this is due in part to the removal of employment rights by successive governments.

Key findings include:

- Retention of key powers by the Department of Work and Pensions in Westminster means the Scottish government is restricted in what it can do to combat the issue.
- Fortunately, the Holyrood administration has substantial leverage in key areas. For example, it has substantial influence in the public sector to ensure less use of short-term low-paid contracts, and can use its purchasing power to influence the private sector.
- The work available to young Scots has changed rapidly, meaning an increase in low-paid, low-security posts. This decrease in wages in turn led to a decrease in demand that was held up as a major factor in the current recession.
- Those with Highers or a Degree level qualification are still the most likely to enter employment but in 1992 they were mostly taking full-time, permanent jobs that paid a decent wage. By 2012, youth employment is characterised by a variety of temporary jobs often part time and young people report they are seeking either additional hours or a higher basic wage.

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For more information contact Clyne Gallagher: [c.gallagher@scotlandinstitute.com](mailto:c.gallagher@scotlandinstitute.com) Tel: 0141 354 1602

<http://www.scotlandinstitute.com/>