

What is Youth Unemployment in Scotland?

Monash University Prato Centre, Italy Sept. 2014

Recent UK Reports

- Youth unemployment in the EU: a scarred generation? House of Lords Report April 2014
- Education Working for All Commission for Developing Scotland's Young Workforce Final Report June 2014
- Remember the Young Ones – Improving the Career Opportunities for Britain's Young People IPPR Report August 2014

Scottish Y Unemployment August 2014

LFS Data estimates 16- 24

Scotland (65,000) = 16.2%

UK (717, 000) = 16.2%

APS Data estimates 16-24

Scotland (76,000) = 19.8%

UK (866,000) = 19.4%

Source: ONS

Background to Project

- I teach around 650 students – many have a growing anxiety regarding job prospects
- The most popular topic for a student web-based project – Youth Unemployment (YUne)
- In preparing background reading and links for students, I came across information that provided inconsistent information and estimates of YUne.

Q. What is YUne in Scotland?

- Review definitions used to describe the young labour market in Scotland
- Consider measures used
- Compare the data results
- Discuss the unemployment measures and data results that influence policy
- Reflect on the implications for policy

Defining Youth Unemployment

ILO definition used by LFS, Eurostat, OECD, ONS, UK Government, Scottish Government, etc.

Based on ...

All persons between age of 15-24 (16-24), who are without work and have not worked for even 1 hour in any economic activity. Should be available to start work in next 2 weeks and actively seeking work during a specified period (4 weeks).

Examples of Headline Reports on YUne

- **Example 1.** BBC Nov. 2013
- Note Title: *Reduction in Youth Unemployment in Scotland*
- <http://www.bbc.co.uk/news/uk-scotland-scotland-business-24889859>
- *Article actually about claimant count of 16-19 year old youths.*
- Yet LFS data for this period showing an increase in YUne?

Example 2: Scottish Parliament 24th June 2014

- Cabinet Sec for Training, Youth and Women's Employment, Angela Constance, welcomed Wood Report and states goal of SG to reduce YUne in Scotland by 40% by 2020
- An honourable objective, but...
- The Wood Report not clear on youth unemployment
- Nevertheless, the Minister states she is using the Wood report recommendations as a starting point for policy.

Measures of Worklessness

- Unemployment - SUR based on LFS data used for national and international comparison of general une rates.
- Claimant Count - tends to be used by local government for local policy.(Does not include 16-18 not entitled to JSA).
- Economically Inactive - not part of labour force; includes some but not all students.
- NEETS - traditionally defined in different ways in UK and EU (See HoC Report)

Problems Measuring Youth Unemployment

- The problems result in part from the variety of different measures used and the ways they are interpreted as indicators of unemployment.
- Complexity of young labour market re those in education and work or both.
- Different interpretation of NEETS UK and EU
- Inappropriate use of CC stats as a measure especially for young unemployed.

Data Issues YUne

- All figures based on samples, therefore, estimates
- LFS sample for Scotland - 6000 HH's, around 750 young people 16-24.
- YUne figures are experimental statistics. This is emphasised by ONS yet this seems to be ignored by policy makers.
- Young unemployment rate $YUne/YEActive$ changes with numbers opting for higher education

Data Issues

- LFS and APS provide different results
- Insufficient attention given to ZHC
- Insufficient attention given to underemployment
- Insufficient attention given to GRINGOS
- Invisible young 16-18-year-old NEETS

Conclusion

- A number of recent news reports refer to similar problems with data, e.g. crime statistics, net migration figures.
- Unemployment data, regarding young people in Scotland, is based on small sample estimates. Aggregate data is often ill-defined or misreported.
- Given government policy in Scotland aims to allocate resources to achieve a reduction in YUne by 40% by 2020, surely we need to start with a robust data set.

Recommendations

- Drop the concept of unemployment – outdated
- A new data set for information on young people
- Larger sample size.
- Measure underemployment (note one hour) to take account of over-qualified or under-utilised employment
- GRINGOS over-skilled and/or under-employed
- ZHC – Loved by some and loathed by other young people. Needs to be clearly identified.

House of Lords Report Para 24

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The ILO's definition is limited in its usefulness, particularly when trying to understand the issues for those who are simultaneously in the labour market and in the education system. The European Commission and Member State governments should take care to recognise the diversity of the different situations which underlie the headline figures and ensure that policy is founded on an accurate nuanced assessment of the issues.

