

Investment in human capital from birth to adulthood: The Scottish case

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“Whatever the future holds, investment in human capital is a no-regrets policy that prepares people for the challenges ahead.” *World Development Report 2019* (p.5).

Introduction

The World Development Report 2019 recognises the necessity of investing in human capital to equip a country’s citizens with the skills to compete in the changing and challenging world of work. The Scottish government has made significant and sustained investment in the education, training and wellbeing of the country’s young people to promote economic growth and support the development of skills for learning and work by all Scots.

How Scotland is meeting the challenges of a changing world of work

The strategy of the Scottish government in preparing young people for the changing world of work has involved beginning human capital investment at birth and sustaining it into adulthood. This approach responds to research which demonstrates that investment from the early years of children’s lives will have positive impacts on their futures and post-education destinations, including their entry to the workforce (Scottish Government’s National Practice Guidance on Early Learning and Childcare). The approach utilised by the Scottish government has combined education, skills development and welfare promotion and has been delivered through the education system, the healthcare system and other social services to promote equity among Scotland’s population by tackling poverty from birth and ensuring that all young people have the same access to skills development necessary for life beyond education and in the world of work.

The Getting it right for every child (GIRFEC) approach is used to promote positive outcomes for children through the provision of social services and by bridging the resource gap which affects Scotland’s poorest families. The Baby Box resource package for an infant’s first six months of life is a recent innovation and exemplifies this welfare-focussed early human capital investment. Rolled out across the country in August 2017, the scheme intends to promote safe sleeping of infants (to reduce infant mortality), increase parent-child interaction and reduce socio-economic inequality. Parents were enthusiastic about the initial pilot because they felt the measure was intended to offer all Scots the same start in life (Scotland’s Baby Box Pilot Research).

A single cohesive educational curriculum, the Curriculum for Excellence, covers education from 3 to 18 years across the country. It encompasses teaching in both English and Gaelic whilst ensuring that all Scottish children receive education in the key competencies important to every child’s future, which would make this model transferable to contexts with multiple national languages. The curriculum is also adaptive to young people’s additional support needs whilst promoting inclusivity, which should assuage doubts about the broad applicability of a single curriculum. The Skills for Learning, Skills for Life and Skills for Work framework forms part of the national curriculum, incorporating five areas of essential transferable skills that are vital outside of education: literacy; numeracy; health and wellbeing; employability, enterprise and citizenship; and thinking skills, which are integrated

throughout all aspects of the curriculum. This integrated approach could be incorporated into a wide range of educational contexts to promote the skills needed for the world of work.

To increase higher-level skills acquisition necessary for professional careers and skilled trades, Scottish-domiciled students can apply to have their college or university tuition financed through the government-funded Student Awards Agency Scotland. The organisation receives over 150,000 applications for funding from undergraduate and postgraduate students annually and awards income-assessed bursaries to allow young people from across a broad spectrum of socio-economic backgrounds to pursue degree-level or vocational qualifications and meet the skills demands of an increasingly competitive job market. Skill-building lifelong learning programmes are also offered to adults to advance and update their skills as the world of work and associated technologies undergo transformation.

Impact of the initiative

The impact of this initiative in human capital development is considerable. It promotes high-quality standardised education and skill development whilst maintaining a considerable focus on welfare and fostering equity among Scots. These programmes are intended to support the development of young Scots, to prepare them for the world of work and to promote inclusive economic growth.

A 2015 OECD report found Scotland's levels of academic achievement to be above the international average, with 83.5% of the Scottish labour force attaining at least upper-secondary level education compared to the OECD average of 77.4% (Improving Schools in Scotland: An OECD Perspective). Furthermore, the inclusive and welfare-centric approach has promoted a reduction in child poverty, down 5% from the years 2012-2013 to 2014-2015. An upward trend in attainment and positive destinations after education was also observed in the OECD report, suggesting that combining welfare, education and skills development can improve young people's education experiences whilst better equipping them for the future.

As noted in the World Development Report, the governments of some developing nations still do not prioritise investment in the early years of development. In these cases, the vast benefits of beginning human capital investment from early childhood should be noted. As the Scottish case demonstrates, beginning investment early to provide children with essential education and transferable skills for life and work sets them well on the path to competing with the challenges of the new world of work.

Recommendations

- Policy-makers should advocate for early and sustained human capital investment through development, education and skills acquisition to prepare young people for life after education and the challenges of the world of work.
- Policy-makers should observe that regional variation (e.g. in language or culture) and individual variation (in students' abilities) can be catered to within a single cohesive education system to promote equitable standards and opportunities.
- While a government-funded scheme to provide free further education may not be feasible in all contexts, policy-makers should explore whether financial support would incentivise a wider demographic of the population to pursue professional or vocational qualifications to equip themselves for the world of work.