

Refreshed Fair Work Action Plan and Anti-Racist Employment Strategy

Equality Impact Assessment

April 2023

Table of Contents

1.	Introduction.....	4
1.1	Purpose	4
1.2	Refreshed Fair Work Action Plan 2022.....	4
1.3	Anti-Racist Employment Strategy 2022	7
2.	Approach	8
2.1	Screening	8
2.2	Stakeholder engagement	9
2.3	Impact Assessment Input Note	10
2.4	Baseline evidence review	10
2.5	Assessment of equality impacts	11
2.6	Recommendations and conclusions	11
3.	Relevant legislation and policy	12
3.1	Relevant legislation	12
3.2	National policy	14
3.3	Partnerships	16
3.4	Other factors.....	16
4.	Evidence and key issues	18
4.1	Population change.....	18
4.2	Labour market statistics.....	18
4.3	Protected Characteristic Groups.....	19
4.4	Deprivation	22
4.5	Poverty	23
5.	Assessment of Refreshed Fair Work Action Plan	24
6.	Assessment of Anti-Racist Employment Strategy.....	45
7.	Conclusions	52
8.	Recommendations.....	53
	Appendix A Refreshed Fair Work Action Plan actions	55
	Appendix B Anti-Racist Employment Strategy actions	59
	Appendix C Relevant legislation and policy.....	63
	Appendix D Evidence and key issues	72

List of figures

Figure D-1	Employment rate in Scotland, 2004-2021.....	73
Figure D-2	Employment rates split by full time and part time employment in Scotland, 2004-2021	74
Figure D-3	Self-employment rate in Scotland, 2014-2020.....	74
Figure D-4	Unemployment rate in Scotland, 2004-2021	75
Figure D-5	Percentage of employees earning at least the real Living Wage in Scotland, 2012-2022.	77
Figure D-6	Percentage of people in Scotland employed on a zero-hour contract, 2000-2022.	78
Figure D-7	Age structure of council areas, mid-2021 estimates	80
Figure D-8	Disability employment gap for ages 16-64 by gender and age in Scotland 2021	84

Figure D-9 Proportion of people in relative poverty before and after housing costs, Scotland 1994-2020	97
Figure D-10 Proportion of high risk groups in relative poverty, Scotland 2017-2020.	98
Figure D-11 Proportion of priority family groups experiencing relative poverty after housing costs, Scotland 2022	99

List of tables

Table D-1: Number of '20% Most Deprived' Data Zones by Local Authority 2020	96
--	----

1. Introduction

1.1 Purpose

The Scottish Government commissioned AECOM to undertake a series of impact assessments on the Refreshed Fair Work Action Plan (RAP)¹ and the Anti-Racist Employment Strategy (ARES)². These include the following:

- **Equality Impact Assessment (EqIA)**;
- Child Rights and Wellbeing Impact Assessment (CRWIA);
- Fairer Scotland Duty Impact Assessment (FSDA);
- Island Communities Impact Assessment (ICIA);
- Data Protection Impact Assessment (DPIA); and
- Business and Regulatory Impact Assessment (BRIA).

The RAP merges and updates the existing Fair Work Action Plan, A Fairer Scotland for Women: gender pay gap action plan and a Fairer Scotland for Disabled People: Employment Action Plan, as well as incorporating actions from the ARES. The changes to public sector grant conditionality proposed in the Bute House Agreement are also assessed through actions from the RAP, despite being screened separately.

This report presents a full assessment of the equality impacts of the actions within the RAP and ARES based on existing evidence and findings from stakeholder engagement. In taking a human rights-based approach, this report also identifies where there is a contribution or alignment to human rights legislation. This report has been updated and expanded from a screening report produced in October 2022.

To inform the impact assessments for the RAP and ARES, AECOM conducted a period of stakeholder engagement between October 2022 and January 2023. This included engagement with Short Life Working Groups on disability, gender and race, equality organisations and businesses through survey responses and one-to-one discussions.

The feedback and findings of this engagement have contributed towards completing a full EqIA on the RAP and ARES.

1.2 Refreshed Fair Work Action Plan 2022

Following the publication of the Fair Work Framework in 2016³, the Scottish Government published the Fair Work: Action Plan⁴ in 2019, setting out the strategic

¹ [Fair Work action plan: becoming a leading Fair Work nation by 2025 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fair-work-action-plan-2025/pages/introduction.aspx)

² [Anti-racist employment strategy - A Fairer Scotland for All - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/anti-racist-employment-strategy/pages/introduction.aspx)

³ Fair Work Convention (2016). Fair Work Framework 2016. Available at: [Fair-Work-Convention-Framework-PDF-Full-Version.pdf \(fairworkconvention.scot\)](https://www.fairworkconvention.scot/Fair-Work-Convention-Framework-PDF-Full-Version.pdf)

⁴ Scottish Government (2019). Fair Work: Action Plan. Available at: [Fair Work: action plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fair-work-action-plan-2019/pages/introduction.aspx)

approach of the Scottish Government to help achieve the vision of becoming a Fair Work Nation by 2025.

The Fair Work Framework defines Fair Work as “work that offers effective voice, respect, security, opportunity and fulfilment; it balances the rights and responsibilities of employers and workers, and can generate benefits for individuals, organisations and society”.

The 2019 action plan covered three broad themes aiming to: support employers to adopt Fair Work practices; deliver Fair Work to a diverse and inclusive workforce; and embed Fair Work across the Scottish Government.

Informed by the 2021 consultation: 'Becoming a Fair Work Nation'⁵ and the analysis of the responses, the Scottish Government developed a refreshed, integrated Fair Work Action Plan (RAP) to set out a strategic approach to support Scotland becoming a Fair Work nation by 2025. It includes actions and commitments from the below to reduce the gender pay gap, at least halve the disability employment gap by 2038, and progress a range of actions to deliver the new Anti-Racist Employment Strategy:

- Fair Work: action plan⁶;
- A Fairer Scotland for women: gender pay gap action plan (2019)⁷;
- A Fairer Scotland for Disabled People: Employment Action Plan (2018)⁸; and
- Actions supporting delivery of the strategy, A Fairer Scotland for All: An Anti-Racist Employment Strategy⁹.

The RAP will better enable the Scottish Government to align collective action across these agendas where there is clear synergy (e.g., real Living Wage, effective voice), addressing structural inequalities that perpetuate labour market inequalities through discrete actions.

A Fairer Scotland for Women (2019)¹⁰ aimed to tackle labour market inequalities faced by women, with the key objective to reduce the gender pay gap for employees in Scotland by the end of the parliamentary term (May 2021). The action plan recognised that disabled women, older women, racialised minority women, women from poorer socio-economic backgrounds and women with caring responsibilities are particularly at higher risk of experiencing labour market inequalities.

⁵ Scottish Government (2021). Becoming a Fair Work nation: consultation. Available at: [Becoming a Fair Work nation: consultation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/consultation-becoming-fair-work-nation/)

⁶ Scottish Government (2021). Becoming a Fair Work nation: consultation. <https://www.gov.scot/publications/consultation-becoming-fair-work-nation/>

⁷ Scottish Government (2018). A fairer Scotland for women: gender pay gap action plan. <https://www.gov.scot/publications/fairer-scotland-women-gender-pay-gap-action-plan/>

⁸ Scottish Government (2019). A Fairer Scotland for Disabled People: employment action plan. (<https://www.gov.scot/publications/fairer-scotland-disabled-people-employment-action-plan/>)

⁹ [Anti-racist employment strategy - A Fairer Scotland for All - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/anti-racist-employment-strategy-a-fairer-scotland-for-all-gov.scot/)

¹⁰ Scottish Government (2019). A Fairer Scotland for Women: gender pay gap action plan. Available at: [A fairer Scotland for women: gender pay gap action plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fairer-scotland-women-gender-pay-gap-action-plan-gov.scot/)

A Fairer Scotland for Disabled People (2016)¹¹ outlined five key ambitions as part of the Scottish Government's response to the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), including 'Decent incomes and fairer working lives'. A key element of this was the commitment to at least halve the employment gap between disabled people and the rest of the working age population (the disability employment gap). Action to achieve this was outlined in A Fairer Scotland for Disabled People: Employment Action Plan (2018)¹².

The refreshed Fair Work Action Plan identifies the need for continual development in the approach to work and workplaces, especially in a dynamic society facing challenges such as the Covid-19 pandemic and cost of living crisis.

It promotes the underpinning principles of 'equity and equality of opportunity for all regardless of any individual or group characteristic' and takes an intersectional¹³ approach to workplace inequalities recognising that no inequality sits in isolation.

The key objectives of the RAP are to:

- Increase the number of people paid at least the real Living Wage and on stable contracts;
- Work with employers, workers and trade unions to strengthen effective voice, through a range of appropriate channels;
- Reduce the gender pay gap in Scotland by the end of this parliamentary term (May 2026), and maintain or, where possible, improve our position relative to the UK as a whole and our international neighbours;
- At least halve the disability employment gap by 2038 (from 2016 baseline of 37.4 percentage points). The Disability employment gap in 2021 was 31.2 p.p. and the employment rate for disabled people was 49.6%. Interim milestones:
 - By 2023 to increase the employment rate for disabled people to 50%;
 - By 2030 to increase the employment rate for disabled people to 60%; and
- Improve labour market outcomes for racially minoritised¹⁴ people and increase the number and impact of actions taken forward by employers to address racial inequality.

¹¹ Scottish Government (2016). A Fairer Scotland for Disabled People: delivery plan. Available at: [Supporting documents - A Fairer Scotland for Disabled People: delivery plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents/a-fairer-scotland-for-disabled-people-delivery-plan)

¹² Scottish Government (2018). A Fairer Scotland for Disabled People: employment action plan. Available at: [A Fairer Scotland for Disabled People: employment action plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents/a-fairer-scotland-for-disabled-people-employment-action-plan)

¹³ Intersectionality describes people who are in possession of a combination of equality characteristics, who may face multiple barriers and compounded discrimination in the labour market (for example, disabled women, or people from racialised minorities aged over 50)

¹⁴ The Scottish Government adopts the term 'racialised minorities' to show that it is systems and structures that do not work for those who are categorised on the basis of "race", and because of this are sometimes treated differently or disadvantaged. These terms are becoming more widely used across the Scottish Government, in line with our acceptance that racism is a structural issue. We support everyone's right to self-identify according to the term they relate to or are most comfortable with. Terminology changes as societal and systemic understanding grows. It should be noted that in labour market data analysis, the term minority ethnic is used and in reserved legislation such as the Equality Act (2010), the term "race" is used. These terms are not helpful to understand how racialised inequity impacts on those who experience systemic, institutional or interpersonal racism.

The RAP sets out actions under four headline actions, which fall into the three broader themes below. A breakdown of the RAP is shown in Appendix A.

- Public sector leadership
- Our ask of employers and support available
- Support for people to prepare for, access and sustain fair work

1.3 Anti-Racist Employment Strategy 2022

The Scottish Government developed an Anti-Racist Employment Strategy (ARES) in response to the persistent inequality experienced by racialised minorities in the labour market.

The strategy is a call to action and supports and encourages employers to take an anti-racist and intersectional approach to identifying the structural and systemic barriers of racism. An intersectional approach recognises individuals with two or more protected characteristics are likely to face multiple barriers in the labour market.

The term “racialised minorities” is adopted throughout to show that it is systems and structures that do not work for those who are categorised on the basis of “race”, and because of this, are sometimes treated differently or disadvantaged. The strategy defines racialisation as “the process by which groups of people are given racial identities and placed within the hierarchy based on their presumed superiority or inferiority to one another”.

The strategy has been developed alongside the RAP which sets out actions to support the implementation of the ARES under the themes of:

- Public sector and the role of leadership;
- Our ask of employers and support available; and
- Support for people to prepare for, access and sustain fair work.

To meet the key objective of the ARES as outlined in the RAP – “increasing action and impact of employer action to address racial inequality” – the ARES seeks to achieve the following outcomes:

- The number of people entering the labour market and staying in and progressing in an organisation is closer to and representative of that organisation’s local population;
- The number of employers taking action to remove intersectional barriers in their workplaces has increased;
- The number of employers proactively creating safe, diverse and inclusive workplaces has increased; and
- The number of employers taking forward evidence-based actions to improve Fair Work conditions for workers from all backgrounds has increased.

The strategy actions are set out in Appendix B.

2. Approach

This chapter sets out the approach to assessing the potential impacts on protected characteristic groups of the RAP and ARES. The assessment criteria consider how the actions could have both positive and negative impacts. In considering the impacts, this EqlA takes a 'worst case scenario'.

The approach for undertaking this EqlA and compiling this report follows a six-stage process:

1. Screening for impacts
 - An overview of guidance and requirements, key evidence and issues and initial screening for potential impacts including a framework for more detailed assessment.
2. Stakeholder engagement
 - Interviews with stakeholders from equality organisations representing a range of groups and businesses.
3. Impact Assessment Input Note
 - A technical note for the Scottish Government highlighting the key impacts identified through initial screening and stakeholder engagement for the purpose of finalising the draft RAP and ARES
4. Baseline evidence review
 - Review of relevant legislation and policies as well as evidence relating to the Fair Work agenda with regards to protected characteristic groups, deprivation, poverty and labour market statistics.
5. Assessment of potential impacts
 - Informed by a consideration of the policy context, reviewed evidence and feedback received through stakeholder engagement.
6. Recommendations and conclusions
 - Concluding on key positive and negative impacts as well as planned and recommended actions for minimising negative or uncertain impacts.

2.1 Screening for impacts

A series of screening reports, including an EqlA screening report, were produced for the Bute House Agreement grant conditionality commitment, RAP and ARES in October 2022.

These reports presented a screening of potential impacts for the six headline actions of the draft RAP and the eight key actions of the draft ARES provided by the Scottish Government. The screening was prepared using publicly available data and evidence.

A screening report was also undertaken for a Strategic Environmental Assessment (SEA), which invited statutory consultees to comment through the Government Gateway. This process concluded that there are no significant environmental impacts, and a final impact assessment is not required.

2.2 Stakeholder engagement

Stakeholder engagement was undertaken to support the evidence outlined in the screening report and contribute to finalising the draft RAP and ARES documents. The views of equality organisations and businesses towards the RAP and ARES actions have also been used to prepare the final impact assessments report including the final EqIA.

Scottish Government and AECOM identified 103 stakeholders for AECOM to engage with across all impact assessments. This included:

- The ARES Short Life Working Group;
- Disability Short Life Working Group;
- Sub Group of the Gender Pay Gap Ministerial Working Group;
- Protected characteristic groups;
- Island communities; and
- Businesses.

Stakeholders were invited to complete an online survey to submit their views on the two draft documents. Alternatively, one-to-one discussions were offered to stakeholders who required a more in-depth discussion of the initiatives. Alongside one-to-one discussions and the survey, the following stakeholder engagement activities took place:

- Organisations first contacted via email on 26th October 2022;
- Webinar to equality focused organisations on 31st October 2022;
- Business organisations contacted via Scottish Government's October 2022 bulletin; and
- Virtual business engagement session on 7th November 2022.

The Scottish Government provided an overview of the Bute House Agreement grant conditionality commitment, the RAP and the ARES to share with stakeholders via email and in one-to-one discussions.

Four stakeholders took part in one-to-one discussions, both on Microsoft Teams and in person, and four submitted survey responses between 26th October and 15th November which fed into the input note for the Scottish Government.

AECOM used the findings of the stakeholder engagement to develop an Impact Assessment Input Note which was submitted to the Scottish Government on the 15th of November 2022. This set out key issues, considerations, and recommendations for finalising the draft RAP and ARES documents.

Following this, AECOM continued stakeholder engagement between 15th November 2022 and 9th January 2023 to ensure that a wide range of voices contributed to the development of the impact assessments. An additional six stakeholders engaged in one-to-one discussions, and five submitted survey responses which fed into the final assessment of impacts.

2.3 Impact Assessment Input Note

An Input Note was submitted to the Scottish Government on 15th November. For each impact assessment, this highlighted the key impacts of the RAP and ARES as identified through the screening process and stakeholder engagement activities.

AECOM delivered a virtual presentation of the input note to the Scottish Government colleagues involved in the drafting process of the RAP and ARES.

The input note provided a final opportunity for external input into the two documents prior to the finalisation of actions.

2.4 Baseline evidence review

The baseline covers the following:

- Review of all relevant documentation and available information regarding the RAP and ARES, including the Fair Work Framework (2016), Fair Work Action Plan (2019) and 'Becoming a Fair Work Nation' consultation documents;
- Review of relevant legislation and policies to develop context pertinent to the EqIA; and
- Evidence and key issues regarding potential equality impacts as identified through secondary data and research provided by Scottish Government, stakeholders, and desktop review.

2.5 Assessment of equality impacts

This EqIA presents the potential direct or indirect positive and negative impacts of each individual action in the RAP and ARES for protected characteristic groups as defined by the Equality Act 2010. The actions within the RAP are organised into the four headline actions, while each ARES action sets out the RAP action it corresponds to or is incorporated into.

- Age (all age groups but particularly children, younger people, and older people)
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race (all ethnic groups)
- Religion or belief (all religions and groups)
- Sex
- Sexual orientation

The assessment and identification of potential impacts has been based on the evidence and key issues (as set out in Section 4 of this report), information provided through discussions with the Scottish Government and stakeholder engagement.

The scoring mechanism used for the assessment initially provides a score of the effect of the policy for each of the relevant groups as follows:

- **Major Positive Effect** - The action contributes significantly to the achievement of the Public Sector Equality Duty.
- **Minor Positive Effect** - The action contributes to the achievement of the Public Sector Equality Duty, but not significantly.
- **Neutral/Negligible Effect** - There is no clear relationship between the action and the achievement of the Public Sector Equality Duty, or the relationship is negligible.
- **Minor Negative Effect** - The action detracts from the achievement of the Public Sector Equality Duty, but not significantly.
- **Major Negative Effect** - The action detracts significantly from the achievement of the Public Sector Equality Duty. Mitigation is therefore required.
- **Uncertain Effect** - The action has an uncertain relationship to the Public Sector Equality Duty, or the relationship is dependent on the way in which the aspect is managed. In addition, insufficient information may be available to enable an assessment to be made and will be gathered through further consultation and/or research.

2.6 Recommendations and conclusions

Section 7 of this report sets out conclusions on the impacts of the RAP and ARES.

The final section of this report sets out recommendations for enhancing the benefits to those affected by the Fair Work initiatives as well as appropriate mitigation against adverse impacts.

3. Relevant legislation and policy

This section provides an overview of the relevant legislation and policy to the RAP and ARES. A detailed policy review is provided in Appendix C.

3.1 Relevant legislation

3.1.1 The Equality Act

The Equality Act 2010 legally protects people from discrimination both in the workplace and in wider society. It ensures that individuals with the following nine protected characteristics are not indirectly or directly discriminated against:

- **Age:** This refers to persons defined by either a particular age or a range of ages;
- **Disability:** A disabled person is someone who has a physical or mental impairment (lasting more than a year) that has a substantial adverse effect on their ability to carry out normal day-to-day activities;
- **Gender Reassignment:** This refers to a person who is proposing to undergo, is undergoing, or has undergone a process for the purpose of reassigning their gender identity;
- **Marriage and Civil Partnership:** Marriage can be between a man and a woman or between two people of the same sex. Civil partners must not be treated less favourably than married couples;
- **Pregnancy and Maternity:** Pregnancy is the condition of being pregnant and expecting a baby. Maternity refers to the period after the birth. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth;
- **Race:** Under the Equality Act 2010 race includes colour, nationality (including citizenship) and ethnic or national origins;
- **Religion or Belief:** Religion means any religion and a reference to religion includes a reference to a lack of religion. Belief means any religious or philosophical belief and a reference to belief includes a reference to a lack of belief;
- **Sex:** This refers to a man or to a woman, or to a group of people of the same sex; and,
- **Sexual Orientation:** this means a person's sexual orientation towards persons of the same sex, persons of the other sex, or persons of either sex.

Section 149 of the Act sets out the Public Sector Equality Duty (PSED). Those subject to the PSED must, in the exercise of their functions, have due regard to the need to:

1. Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act;
2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and,

3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three aims of the duty apply to all protected characteristics provided for in section 149(7). Although marriage and civil partnership is a protected characteristic under the Equality Act, it is not covered by the second and third matters of the PSED. Therefore, marriage and civil partnership is only considered in terms of discrimination, harassment and victimisation in the workplace throughout this EqIA. The Equality Act 2010 explains that having due regard to the second aim involves:

- Removing or minimising disadvantages affecting people due to their protected characteristics;
- Taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people; and
- Encouraging people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

The PSED requires public bodies to take proactive measures to address inequality and help contribute to the government's commitment to tackle disadvantage and discrimination, advance equality of opportunity and encourage good relations between all people.

Regulation 5 of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires listed authorities to undertake an impact assessment to assess the impact of applying a proposed new or revised policy or practice against the three needs of the PSED.

3.1.2 The Human Rights Act¹⁵

The Human Rights Act 1998 is an Act of Parliament of the United Kingdom introduced to incorporate the rights of the European Convention on Human Rights into UK law. Public authorities must respect and protect the human rights set out through the articles of the Act. Articles relevant to the Fair Work agenda include:

- Article 4: Freedom from slavery and forced labour;
- Article 11: Freedom from assembly and association; and
- Article 14: Protection from discrimination in respect of these rights and freedoms.

Human rights implications are also considered in the context of upcoming International Human Rights Covenants and Conventions, including the International Covenant on Economic, Social and Cultural Rights; the Convention on the Elimination of All Forms of Racial Discrimination; the Convention on the Elimination of All Forms of Discrimination Against Women; the Convention on the Rights of Persons with Disabilities; and the Convention on the Rights of the Child.

In assessing the impacts on human rights legislation, this report considers:

- If there is any danger of someone's rights being infringed by the actions of the Fair Work agenda; and

¹⁵ <https://www.legislation.gov.uk/ukpga/1998/42/contents>

- If the actions of the Fair Work agenda will strengthen people's ability to enjoy these rights.

3.2 National policy

3.2.1 Fair Work Framework¹⁶

The Fair Work Convention published the Fair Work Framework in 2016. It sets out a vision that **'by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society'**.

The framework defines Fair Work through the five dimensions: effective voice, opportunity, security, fulfilment, and respect.

3.2.2 National Strategy for Economic Transformation (NSET)¹⁷

The National Strategy for Economic Transformation outlines an ambition for a successful and 'fairer' economy by 2032 driven by a vision to create a wellbeing economy.

The 'fairer and more equality society' programme of action seeks to 'Reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.'

3.2.3 National Performance Framework (NPF)¹⁸

The National Performance Framework is Scotland's wellbeing framework setting out a vision for a more successful, sustainable, and inclusive Scotland.

The Fair Work and Business National Outcome measures progress towards Scotland's vision for 2025. Performance against this outcome is measured through indicators, including but not limited to: pay gap, employee voice, gender balance and payment of the real Living Wage.

¹⁶ Fair Work Convention (2016). Fair Work Framework 2016. Available at: [Fair-Work-Convention-Framework-PDF-Full-Version.pdf \(fairworkconvention.scot\)](https://www.fairworkconvention.scot/Fair-Work-Convention-Framework-PDF-Full-Version.pdf)

¹⁷ Scottish Government (2022). Scotland's National Strategy for Economic Transformation. Available at: [Scotland's National Strategy for Economic Transformation - gov.scot \(www.gov.scot\)](https://www.gov.scot/Scotland's-National-Strategy-for-Economic-Transformation)

¹⁸ Scottish Government (2018). National Performance Framework: Our Purpose, Values and National Outcomes. Available at: [NPF_A2_Poster.pdf \(nationalperformance.gov.scot\)](https://www.nationalperformance.gov.scot/NPF_A2_Poster.pdf)

3.2.4 Developing the Young Workforce: Scotland's Youth Employment Strategy¹⁹

The Youth Employment Strategy sets out how the Scottish Government will implement recommendations from the Commission for Developing Scotland's Young Workforce with the ambition to improve youth employment levels beyond pre-2008 and prioritise equal access to work relevant educational experience for all young people, despite the barriers they may face.

3.2.5 Tackling Child Poverty Delivery Plan 2022-2026²⁰

The 'Best Start, Bright Futures' delivery plan sets out a vision for tackling child poverty in Scotland, following the foundations of the 'Every Child, Every Chance' publication in 2018.

To successfully tackle child poverty, the plan will support families with children through people-centred services to access financial, emotional, and practical assistance regardless of gender, race or status.

3.2.6 Covid Recovery Strategy²¹

In response to the inequality and disadvantage both exacerbated and exposed by the Covid pandemic, the Scottish Government published the Covid Recovery Strategy.

The strategy prioritises the security and resilience of communities, businesses, society, and the economy by embedding fair work, skills and employability interventions.

Actions from this outcome include gender, ethnicity and disability employment action plans, an ethnicity pay gap strategy, real Living Wage commitments and other Fair Work standards.

3.2.7 Race Equality Framework for Scotland 2016 to 2030²²

This framework sets out the Scottish Government's approach to addressing racism and inequality between 2016 and 2030. Through showing leadership in advancing race equality and addressing barriers faced by racialised minorities, the Scottish Government will assist racialised minorities in realising their potential.

¹⁹ Scottish Government (2014). Developing the Young Workforce: Scotland's Youth Employment Strategy. Implementing the Recommendations of the Commission for Developing Scotland's Young Workforce. Available at: [Supporting documents - Developing the young workforce: Scotland's youth employment strategy - gov.scot \(www.gov.scot\)](https://www.gov.scot/Supporting%20documents%20-%20Developing%20the%20young%20workforce%20-%20Scotland's%20youth%20employment%20strategy)

²⁰ Scottish Government (2022). Best Start, Bright Futures: tackling child poverty delivery plan 2022-2026. Available at: [Supporting documents - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](https://www.gov.scot/Supporting%20documents%20-%20Best%20Start,%20Bright%20Futures%20-%20tackling%20child%20poverty%20delivery%20plan%202022%20to%202026)

²¹ Scottish Government (2021). Covid Recovery Strategy: For a fairer future. Available at: [Supporting documents - Covid Recovery Strategy: for a fairer future - gov.scot \(www.gov.scot\)](https://www.gov.scot/Supporting%20documents%20-%20Covid%20Recovery%20Strategy%20-%20for%20a%20fairer%20future)

²² Scottish Government (2016). Race equality framework for Scotland 2016 to 2030. Available at: [Race equality framework for Scotland 2016 to 2030 - gov.scot \(www.gov.scot\)](https://www.gov.scot/Race%20equality%20framework%20for%20Scotland%202016%20to%202030)

The Framework was created to prioritise the needs and experiences of Scotland's racialised minorities. It outlines how the Scottish Government will work in partnership with government agencies and key stakeholders to address opportunities for progress through six themed Visions.

3.3 Partnerships

3.3.1 No One Left Behind²³

No One Left Behind is a collective approach to delivering an employability system which is flexible, people-centred, and responsive.

Progress has been made through the Disability Employment Action Plan²⁴, Shared Measurement Framework²⁵, the Scottish Approach to Service Design²⁶ and Fair Start Scotland extension²⁷.

3.3.2 Fair Start Scotland²⁸

Fair Start Scotland, a national employment support service, launched in April 2018 and has been supporting people with significant barriers towards and into sustainable work.

The service is entirely voluntary and offers personalised, one to one support, tailored to individual circumstances and has supported over 51,000 starts since launch in April 2018.

3.4 Other factors

Individuals and businesses face ever-changing burdens dependent on the cumulative impacts of socioeconomic crises. Those relevant to today's populations include Covid, EU Exit and the cost-of-living crisis.

3.4.1 Covid

Covid-19 has an impact on Scotland's health, economy and society and progress towards Scotland's National Outcomes from the NPF.²⁹ Emerging and exacerbated labour market inequalities are likely to generate poverty and human right impacts relevant to the Fair Work and Business Outcome. For example, young people are increasingly faced with early unemployment, while older unemployed adults are

²³ Employability in Scotland (2022). No One Left Behind. Available at: [No One Left Behind - Policy | Employability in Scotland](#)

²⁴ Scottish Government (2018). A Fairer Scotland for Disabled People: employment action plan. Available at: [A Fairer Scotland for Disabled People: employment action plan - gov.scot \(www.gov.scot\)](#)

²⁵ Scottish Government (2022). Employability Shared Measurement Framework. Available at: [Publications | Employability in Scotland](#)

²⁶ Establishment of a lived experience panel to facilitate the gathering of user views and influence future service delivery - October 2020

²⁷ Scottish Government (2018). Fair Start Scotland. Available at: [Fair Start Scotland - gov.scot \(www.gov.scot\)](#)

²⁸ Fair Start Scotland (2023). Employability in Scotland. Available at: [Fair Start Scotland | Employability in Scotland](#)

²⁹ Scottish Government (2020). Scotland's Wellbeing: The Impact of Covid-19. Available at: [Scotland's Wellbeing: The Impact of COVID-19 | National Performance Framework](#)

experiencing more long-term unemployment and are less likely to participate in upskilling.

3.4.2 EU Exit

Consideration must be given to EU Exit undermining trading and collaborative relationship, which Scottish society and businesses have traditionally relied on as efforts are made to rebuild, restore, and identify new markets and potential trade relationships.

3.4.3 Cost-of-living crisis

The recent cost of living crisis, driven by a surge in inflation, has generated social, economic, and environmental vulnerabilities across Scottish households.

While all households in Scotland will be affected by the increased cost of living, Scottish Government identify that disproportionate impacts are likely across low income households.³⁰ Low income households also include overrepresentations protected characteristic groups.

Household's increased chances of suffering acutely from the current inflation crisis heightens vulnerabilities to changing legislation, in both positive and negative capacities.

³⁰ Scottish Government (2022). The Cost of Living Crisis in Scotland: analytical report. Available at: [Supporting documents - The Cost of Living Crisis in Scotland: analytical report - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents/the-cost-of-living-crisis-in-scotland-analytical-report)

4. Evidence and key issues

This section provides an overview of evidence and key issues relevant to the Scottish labour market and protected characteristic groups. A detailed evidence and key issues section is provided in Appendix D.

4.1 Population change

The latest estimate of the Scottish population is 5,479,900.³¹ The population has grown 0.25% since mid-2020, which is 0.17 percentage points lower than the average annual growth from mid-2014 to mid-2019³².

Contrary to previous years, population growth was recorded in many rural council areas while the population in the largest cities fell. For some rural regions, this year reversed a trend of population decline, such as Aberdeenshire and Argyll and Bute. While for other rural areas such as Highland and Perth and Kinross, which had seen steady growth or small decreases in recent years, the rate of growth increased³³.

4.2 Labour market statistics

- The employment rate in Scotland has fluctuated since 2004, experiencing a steep decline in employment between 2008-2012 in line with the recession and between 2019-2021 in line with Covid-19. The unemployment rate figures peaked at 8.3% in 2011 and have fluctuated since 2017 to 3.9% in 2021.³⁴
- In 2022, 91.0% of all employees (18+) were paid the real Living Wage in 2022. Sectoral analysis reveals that over 80% of private sector employees were paid at least the real Living Wage and over 90% of public and third sector employees. A higher percentage of men have been paid the real Living Wage compared to women between 2012 and 2022.³⁵
- While disaggregated data for Scotland is not available, the percentage of people in zero hours contract employment in the UK has been on the rise since Oct-Dec 2020 from 3.1% to 3.4% in Oct-Dec 2022.³⁶

³¹ National Records of Scotland (2022). Mid-2021 Population Estimates, Scotland. Available at: [Mid 2021 Population Estimates, Scotland, Report \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/population-estimates-time-series-data)

³² National Records of Scotland. Population Estimates Time Series Data. [https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/population-estimates-time-series-data]

³³ National Records of Scotland (2022). Mid-2021 Population Estimates, Scotland. [https://www.nrscotland.gov.uk/files/statistics/population-estimates/mid-21/mid-year-pop-est-21-report.pdf]

³⁴ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/index.aspx)

³⁵ Scottish Government (2022). Annual Survey of hours and earnings 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2022/pages/index.aspx)

³⁶ Office for National Statistics (2022). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/people-in-work/employment-and-unemployment/zero-hours-contracts)

- Scottish Government (SG) diversity and inclusion workforce estimates for 2021 reveal that disabled and ethnic minority staff members are underrepresented in the government workforce and were paid less than counterparts.³⁷ While Women and LGB+ groups are overrepresented within the workforce and transgender staff experienced higher levels of discrimination.

4.3 Protected Characteristic Groups

4.3.1 Key issues: older people

- The employment rate for 50 to 64-year-olds experienced the largest annual reduction across all age groups, from 70.5% in 2019 to 68.1% in 2021.³⁸
- Scotland has an ageing population who disproportionately experience job insecurity, redundancy, and undervalued skills in the labour market as a result of ageism.³⁹
- Low-income women over 50 who were single or divorced were more likely to experience cumulative negative effects of insecure labour markets, caring responsibilities, and health problems.

4.3.2 Key issues: young people

- The estimated employment rate for young people (aged 16-24) in Scotland was 54.0% in Jan-Dec 2021, sitting lower than the rate recorded before the Covid-19 pandemic.⁴⁰
- During the pandemic, young people were overrepresented in affected sectors and disproportionately experienced unemployment and higher rates of furlough than all other age groups.⁴¹
- Young people (16 to 24 year olds) across the UK are overrepresented in zero hour contracts (11.7% in Oct-Dec 2022)⁴² and 18 to 24 year olds are less likely to be paid the real Living Wage.⁴³

³⁷ Scottish Government (2022). Diversity and inclusion of the Scottish Government workforce – 2021. Available at: [Diversity and inclusion of the Scottish Government workforce - 2021 \(data.gov.scot\)](https://data.gov.scot/publications/diversity-and-inclusion-of-the-scottish-government-workforce-2021/pages/1)

³⁸ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/1)

³⁹ Scottish Government (2017). Older People and Employment in Scotland. Accessible at: [Older People and Employment in Scotland \(www.gov.scot\)](https://www.gov.scot/publications/older-people-and-employment-in-scotland/pages/1)

⁴⁰ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/1)

⁴¹ Scottish Government (2020). Scotland's Wellbeing: The Impact of Covid-19. Available at: [Scotland's Wellbeing: The Impact of COVID-19 | National Performance Framework](https://www.gov.scot/publications/scotland-wellbeing-the-impact-of-covid-19/pages/1)

⁴² Office for National Statistics (2022). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/employment-and-labour/people-in-employment-on-zero-hours-contracts)

⁴³ Scottish Government (2022). Annual Survey of hours and earnings 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2022/pages/1)

- Young women have a higher employment rate than men (55.2% and 52.8% respectively).⁴⁴

4.3.3 Key issues: disability

- Disabled people experience a large employment rate gap in the labour market. Despite reducing from 37.4 percentage points in 2016, the disability employment gap was still 31.2 percentage points in 2021.⁴⁵
- Young disabled people are particularly at risk of unemployment when transitioning from school to further education, apprenticeships, or work and represent a lower proportion of higher education entrants than non-disabled people.⁴⁶
- Disabled people disproportionately experienced the long-term social and employability impacts of Covid-19, reporting low well-being and high levels of loneliness. Disability was also identified as one of the most significant factors influencing a person's return to work following the Covid-19 pandemic.⁴⁷

4.3.4 Key issues: gender reassignment

- Transgender or gender non-conforming people may have concerns about accessing employment for fear of being harassed or discriminated against, as one of the five protected characteristic groups covered by the hate crime legislation.

4.3.5 Key issues: pregnancy and maternity

- Pregnant women may experience discrimination during pregnancy and when returning from maternity leave, including job insecurity, exclusion from opportunities and dismissed working adjustments.⁴⁸
- Women living in deprived areas were more likely to experience short and long-term health problems as a consequence of childbirth, which could extend maternity leave and ultimately exacerbate existing barriers to returning to work for those most at risk to poverty.

⁴⁴ Scottish Government (2021). Employment. Available at: statistics.gov.scot

⁴⁵ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/ScotGov/Default/Scotland%20Labour%20Market%20People%2C%20Places%20and%20Regions%20-%20Protected%20Characteristics%20Statistics%20from%20the%20Annual%20Population%20Survey%202021)

⁴⁶ Scottish Government (2019). Scotland's Wellbeing: national outcomes for disabled people. Available at: [Scotland's Wellbeing - Measuring the National Outcomes for Disabled People \(www.gov.scot\)](https://www.gov.scot/ScotGov/Default/Scotland%20Wellbeing%20-%20Measuring%20the%20National%20Outcomes%20for%20Disabled%20People)

⁴⁷ Office for National Statistics (2021). Which groups find it hardest to find a job following a period out of work? Accessible at: [Which groups find it hardest to find a job following a period out of work? - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peoplepopulationandcommunity/healthandcare/articles/which-groups-find-it-hardest-to-find-a-job-following-a-period-out-of-work/)

⁴⁸ The Equality and Human Rights Commission (2016). Pregnancy and Maternity – Related Discrimination and Disadvantage: Experiences of Mothers. Available at: <https://www.equalityhumanrights.com/en/managing-pregnancy-and-maternity-workplace/pregnancy-and-maternity-discrimination-research-findings>

- Racialised minority maternities were overrepresented in the most deprived areas, increasing the risk of racialised minority women to maternal disadvantage in the labour market.

4.3.6 Key issues: race

- The employment rate of the white population consistently exceeds that of minority ethnic populations; in 2021, the ethnic employment gap was 11.7 p.p.. In particular, young ethnic minorities (aged 16-24) experienced the largest gap in 2021 at 19.6⁴⁹ p.p., and the ethnic employment gap was significantly higher for women than men in 2021.⁵⁰
- In 2022, the ethnicity pay gap was 10.3% in 2019.⁵¹
- Minority ethnic women are more likely to be employed in part time and insecure roles and have been 'left behind' in pay gap progress.⁵²
- Ethnic minorities disproportionately faced unemployment during the Covid-19 pandemic due to their high representation in low-paid work in 'shut down' sectors, such as hospitality and key workers.

4.3.7 Key issues: religion or belief

- Religious groups may have concerns about discrimination, assault or harassment in employment as one of the five protected characteristic groups covered by the hate crime legislation.

4.3.8 Key issues: sex

- In 2021, the gender employment rate gap was 5.1 p.p.. The employment rate for men is higher than for women across all age groups, except for those aged 16 to 24.⁵³
- The gender pay gap for median hourly earnings (excluding overtime) in Scotland has been lower than the UK since 2003 and has typically been reducing over time to 12.2% in 2022.⁵⁴

⁴⁹ Estimate is based on a small sample size. This may result in less precise estimates, which should be used with caution.

⁵⁰ Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/economic/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021)

⁵¹ Data on the ethnicity pay gap is only provided to 2019 for this measure. The accuracy of income weights were affected by an issue with the coding of occupations identified by ONS. Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/economic/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021)

⁵² Fawcett Society (2017). Many minority ethnic women 'left behind' by pay gap progress. Available at: [Many minority ethnic women 'left behind' by pay gap progress | The Fawcett Society](https://www.fawcettsociety.org.uk/news/many-minority-ethnic-women-left-behind-by-pay-gap-progress)

⁵³ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/economic/scotland-s-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021)

⁵⁴ Scottish Government (2022). Annual Survey of Hours and Earnings (ASHE). Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/economic/annual-survey-of-hours-and-earnings-2022)

- In Oct-Dec 2022, women across the UK also represented a higher proportion of employees on a zero-hour contract, at 3.9% compared to 3.0% of men,⁵⁵ and in 2022 92.5% of men were earning the real Living Wage compared to 89.7% of women.⁵⁶
- In 2021, 43% of young women felt they did not have equal access to work,⁵⁷ which can be attributed to women's disproportionate risk of gender discrimination in recruitment, promotion opportunities and pay as well as occupational segregation.
- Women disproportionately carry out unpaid caring responsibilities which may minimise availability for paid employment, restrict career choices and limit locations of employment while significantly impacting women's personal wellbeing.⁵⁸
- Intersectional labour market inequalities are identified for young women, racialised minority women, disabled women, and women with caring responsibilities.
- The Covid-19 pandemic disproportionately impacted young women's job security, career development and mental health.

4.3.9 Sexual orientation

- LGBT groups may have concerns about accessing employment for fear of being harassed or discriminated against, as one of the five protected characteristic groups covered by the hate crime legislation. When it comes to accessing services, one out of every four people has experienced discrimination.⁵⁹

4.4 Deprivation

- According to the SIMD in 2020, the most deprived data zones tend to be focused around urban areas and their suburbs and tend to accommodate more people with a long-term limiting condition.⁶⁰ In the most deprived areas in Scotland, 48% of adults live with a limiting condition while only 25% of adults live with a limiting condition in the least deprived areas.⁶¹

⁵⁵ Office for National Statistics (2022). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

⁵⁶ Scottish Government (2022). Annual Survey of Hours and Earnings: 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁵⁷ The Young Women's Movement (2021). Status of Young Women in Scotland 2020/2021. Accessible at: [Status-of-Young-Women-Scotland-2021.pdf \(ywscotland.org\)](https://ywscotland.org)

⁵⁸ Scottish Government (2022). Tackling child poverty delivery plan 2022-2026: annex 7: equality impact assessment. Available at: [Supporting documents - Tackling child poverty delivery plan 2022-2026 - annex 7: equality impact assessment - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁵⁹ Equality Network (2015). The Scottish LGBT Equality Report, 2015. Available at: [The-Scottish-LGBT-Equality-Report.pdf \(equality-network.org\)](https://equality-network.org)

⁶⁰ Scottish Government (2020). Scottish Index of Multiple Deprivation 2020. Available at: [Scottish Index of Multiple Deprivation 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁶¹ Scottish Government (2022). Scottish Health Survey 2021: supplementary tables. Available at: <https://www.gov.scot/publications/Scottish-health-survey-2021-supplementary-tables/>

4.5 Poverty

- In 2017-2020, 17% of Scotland's population were living in relative poverty before housing costs and 19% after housing costs.⁶² Protected characteristic groups are most at risk to relative poverty, particularly young people, single mothers, racialised minority groups and households with a disabled member.
- The latest records (2017-2020) estimate that 21% of children were living in relative poverty before housing costs and 24% after housing costs.⁶³ Groups at greater risk of child poverty include single parent households, racialised minority households, three or more children households and disabled household members.
- In 2017-2020, relative poverty stood at 16% before housing costs and 19% after housing costs. In terms of child poverty, two thirds (68%) of children experiencing relative poverty after housing costs live in working households while only 32% live in workless households.
- Evidence reveals that racialised minority communities face a poverty trap of low paid employment and racialised minority households have 10 times less 'wealth' than British households in terms of savings or assets.⁶⁴
- The cost-of-living crisis has generated precarious financial situations for two-thirds of unemployed households and 70% of single parent households who have either no savings or under £250. Other households are behind on rent or mortgage payments and have had to cut back on essential items.

⁶² Scottish Government (2021). Poverty and Income Inequality in Scotland 2017-2020. Available at: [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/publications/poverty-income-inequality-scotland-2017-2020/pages/1)

⁶³ Scottish Government (2021). Poverty and Income Inequality in Scotland 2017-2020. Available at: [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/publications/poverty-income-inequality-scotland-2017-20/pages/1)

⁶⁴ Coalition for Race Equality and Rights (2020). Ethnicity and Poverty in Scotland 2020. Available at: https://b0353f24-0d04-4fc5-9c7d-2716ba8ba44f.usfiles.com/ugd/b0353f_0db6596cc9ee46ab9aa13b97699aae79.pdf

5. Assessment of Refreshed Fair Work Action Plan

Headline action 1: We will lead by example on the Fair Work Agenda, including sharing and learning of practice, by 2025 and beyond. We will continue to embed Fair Work in all public sector organisations, setting out clear priorities in the roles and responsibilities of public bodies.

This action is likely to further the aims of the Public Sector Equality Duty in eliminating discrimination, promoting equal opportunities, and fostering good relations through embedding fair work practices across the public sector. This action encourages increased diversity and inclusion in the workforce and helps to address inequalities experienced by protected characteristic groups, especially disabled people, racialised minority groups and women.

However, the success of this action could be hindered by the capacity of the Scottish Government and other public bodies to deliver in the event of further political and economic challenges.

Achieving this headline action would achieve a broadly positive impact on protected characteristic groups' ability to enjoy article 14 of the Human Rights Act and support the realisation of rights in line with the International Covenant on Economic, Cultural and Social Rights and article 27 of the UN Convention on the Rights of Persons with Disabilities.

Action 1.1: Scottish Government will undertake an equal pay audit examining pay gaps by gender, disability, race and age by March 2024. We will act on findings to review and refresh our recruitment and retention policies to address workplace inequalities by end of 2025.

Undertaking an equal pay audit could increase the availability of data and disseminate knowledge of existing labour market inequalities within the Scottish Government. This may inform positive action to address any existing gender, disability, ethnicity, and age pay gaps. The latest available data indicates that women, disabled people and racialised minorities could acutely benefit from this audit as they are currently paid less than their counterparts.

Better-informed recruitment and retention policies could advance equality of opportunity for all groups in the workplace, including career progression and reduced occupational segregation. Discrimination based on gender could be minimised, especially in tackling the 'motherhood penalty'⁶⁵ for women who experience disadvantage due to pregnancy and maternity. There could also be recognition that racialised minorities and disabled people are underrepresented in the government's

⁶⁵ The 'Motherhood Penalty' describes the labour market inequalities women face after having a child. Mothers are perceived as less productive, face discrimination in the hiring process and statistically experience a reduction in wages.

workforce and a drive to increase these numbers. Therefore, action 1.1 could create a more diverse and inclusive government workforce.

In leading by example, the Scottish Government could generate wider long-term impacts through influencing the public sector on best practice. Stakeholder engagement supports that a demonstration of the government's position on pay gap reporting could be necessary to encourage wider participation.

Engagement from public sector organisations could share knowledge of existing labour market inequalities more widely and generate far reaching socioeconomic impacts for protected characteristic groups. Those at highest risk of unemployment, underrepresentation, insecure employment, and poverty could acutely benefit from increasing diversity and inclusion in the labour market, including women, disabled people and racialised minorities.

Close the Gap further identify the importance of recognising intersectionality across these pay gaps, especially across the female population. Each protected characteristic group is not homogenous. Disabled women, racialised minority women, young women and older women face multiple labour market barriers. Disabled and racialised minority women experience are more likely to experience higher pay gaps.⁶⁶ Therefore, in the long-term this action may have disproportionate positive impacts on women with more than one protected characteristic.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is major positive.

Action 1.2: Work with equality organisations and public sector employers to co-deliver a series of engagements with the public sector by the end of 2023 to support employers to address the recommendations of the Scottish Parliament's Equalities and Human Rights Committee's inquiry report into race equality, employment and skills which recommended employers: assess their organisations' understanding of racism and structural barriers; and those subject to the Public Sector Equality Duty as a minimum, voluntarily record and publish their ethnicity pay gap and produce an action plan to deliver identified outcomes.

Engagement with public sector leadership and the voluntary publication of ethnicity pay gap data could drive organisational awareness of the harms of racism and benefits of addressing racial inequality in organisations. This could foster good relations and encourage the elimination of discrimination and victimisation, reducing negative workplace experiences for racialised minorities.

Encouraging the publication of ethnicity pay gap data could contribute to narrowing the 10.3% pay gap (as recorded by ONS in 2019).⁶⁷ Racialised minority women may disproportionately benefit from an uplift in wages after being 'left behind' in pay gap progress.

⁶⁶ Close the Gap (2022). The pay gap. Available at: [Close the Gap | The pay gap](#)

⁶⁷ Data on the ethnicity pay gap is only provided to 2019 for this measure. The accuracy of income weights were affected by an issue with the coding of occupations identified by ONS. Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](#)

A greater understanding of structural barriers could advance labour market opportunities for racialised minorities who are currently overrepresented in low-paid sectors. Racialised minority women are often limited to part time insecure work and could disproportionately benefit from access to new opportunities. This impact could also assist racialised minorities in the recovery from Covid-19 after being more likely to experience unemployment due to their overrepresentation in 'shut down' sectors.

However, the ability of small organisations to collect and publish usable data in relation to the ethnicity pay gap without experiencing GDPR conflicts may delay the public sector in reaching their vision for 2025. Stakeholders expressed concerns regarding the anonymity of pay gap data when sharing intersectional analysis for groups with more than one protected characteristic, such as racialised minority women.

This data collection drive should also be coupled with privacy and confidentiality guidance for employers to develop a sense of trust within the public sector. Stakeholders expressed that racialised minority groups could feel hesitant to engage in equality monitoring for fear of their data being misused and initiating further discrimination. Guidance for employers on demonstrating protection of privacy in daily interactions should encourage discretion when implementing this action.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is major positive.

Action 1.3: The EHRC and Scottish Funding Council (SFC) will:

Action 1.3.1: Implement National Equality Outcomes across protected characteristics (including disability, ethnicity, sex) from Sept 2022 to Sept 2025, in order to:

- improve student success and retention rates;
- ensure access to and confidence in support for students and staff that fosters good relations and tackle prejudice and discrimination; and
- increase diversity of staff in the workforce and on College Boards and University Courts.

A focus on the success and retention of the student population could maintain the upwards trend of university enrolments with increasing diversity since 2019⁶⁸ and tackle the decreasing percentage of pupils achieving the expected Curriculum for Excellence Levels in 2020/21.⁶⁹ These benefits could be enhanced through engaging with the lived experiences of young people when assessing progress towards the National Equality Outcomes.

Implementing a National Equality Outcome for disability could advance equality of opportunity for disabled students and increase their representation in the workforce. Currently, disabled students are more likely to experience lower levels of educational attainment and less likely to enter higher education compared to non-disabled

⁶⁸ Higher Education Statistics Agency (2022). Who's studying in HE? [Who's studying in HE? | HESA](#)

⁶⁹ Scottish Government (2021). Achievement of Curriculum for Excellence (CfE) Levels 2020/21. [Achievement of Curriculum for Excellence \(CfE\) Levels 2020/21 \(www.gov.scot\)](#)

students.⁷⁰ Therefore, action 1.3 could prioritise access to educational opportunities for disabled students which have influence over their future careers.

Increasing the diversity of staff in the workforce could create a diverse and inclusive workforce which is representative of the population. This simultaneously increases the proportion of currently underrepresented groups, including women, disabled people and racialised minorities. Stakeholders felt that, consequently, organisations with more diverse workforces and effective voice channels for workers would be more likely to learn from the experience of their employees and take proactive steps to address inequalities, without this becoming the responsibility of the groups themselves. Specifically, increasing diversity on College Boards and University Courts allows for the needs of an increasingly diverse student population to be met.⁷¹

Due to the impact on fostering good relations and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 1.3.2: Develop a set of SFC annual thematic reviews to inform and direct improvement.

Publishing annual thematic reviews could disseminate knowledge on contemporary inequalities within the higher education sector and develop mechanisms to embed equality in wider societal issues such as access to skills, education, and labour market confidence.

This information could direct funding for teaching and learning provision, research, and other higher education activities in Scotland more inclusively, while also encouraging positive actions to be taken forward across colleges, universities, and other funded bodies to account for their delivery of required outcomes.

Therefore, the diverse student population could benefit from the annual review of higher education services, particularly those with poorer outcomes such as racialised minority and disabled students.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 1.4: Work with partners to establish senior leadership networks to build capability and understanding of racism and racial inequality in the workplace by the end of 2023.

Establishing senior leadership networks could generate top-down action against racial inequality in the workplace. Understanding racism at a senior level could eliminate labour market discrimination meaning more racialised minorities accessing, retaining and progressing in employment.

Consideration of intersectional inequalities could also generate targeted impacts for the higher risk groups who have more than one protected characteristic. Racialised minority women often occupy precarious positions in the workforce and are at risk to the largest pay gaps. Therefore, increasing the number of employers and senior

⁷⁰ Scottish Government (2019). Scotland's Wellbeing: national outcomes for disabled people. Available at: [Scotland's Wellbeing - Measuring the National Outcomes for Disabled People \(www.gov.scot\)](https://www.gov.scot)

⁷¹ Scottish Government (2022). Welfare reform report: impact on families with children. [Welfare reform report: Impact on families with children \(www.gov.scot\)](https://www.gov.scot)

employees who understand this racial inequality could eliminate discrimination through influencing action to uplift the status of racialised minority women in the workforce.

Stakeholders expressed the importance of diversity of thought and voice within the leadership network. Stakeholders believe that having representation of racialised minorities would be necessary to access lived experience of discrimination, comprehensively understand racism and develop positive actions to address racial inequality in the labour market.

However, smaller organisations may not have the capacity to establish senior leadership networks. This could disproportionately disadvantage those with protected characteristics who are overrepresented within SME's or start-up companies. Therefore, the Scottish Government should consider potential support for smaller organisations when implementing this action.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

Action 1.5: We will work with Scottish Government analysts to run a series of official statistics dissemination sessions with interested stakeholders to help inform their understanding of the labour market landscape in relation to fair work. Where available data allows, this will include considering intersectionality.

Disseminating official statistics could highlight key inequalities within the labour market relevant to each stakeholder's industry and demonstrate best practice in advancing progress through data. This could encourage positive action to eliminate inequalities and seek to establish a fair and inclusive workplace.

Stakeholders felt that more guidance and examples on cumulative effects would assist an intersectional approach to eliminating labour market inequalities. The potential to consider intersectionality in dissemination could progress employers' understanding of the most at risk groups with more than one protected characteristic and generate positive actions towards addressing these disadvantages and advancing labour market opportunities.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Headline action 2: We will continue to use conditionality to further embed Fair Work in all public sector investment wherever possible.

This action is likely to further the aims of the Public Sector Equality Duty in eliminating discrimination, promoting equal opportunities, and fostering good relations through removing some pay inequalities in the labour market.

The protected characteristic groups who may experience positive impacts is dependent on suppliers and public bodies adopting and demonstrating Fair Work practices. The limits on devolved competence may also restrict the Scottish Government's ability to comprehensively enforce this action.

Achieving this headline action would achieve a broadly positive impact on protected characteristic groups' ability to enjoy article 11 and 14 of the Human Rights Act and realise the rights outlined in future international human rights covenants and conventions, including article 27 of the UN Convention on the Rights of Persons with Disabilities (UNCPRD).

Action 2.1: As part of the Bute House agreement and NSET, and within the limits on devolved competence, we will:

Action 2.1.1: Extend Fair Work conditionality with clear standards and minimum requirements to cover all forms of Scottish Government support within the limits of devolved competence. We will use all levers at our disposal to deliver on this commitment – including the use of grants, reliefs and licencing provisions.

Public sector grant conditionality includes paying at least the real Living Wage and providing channels for effective voice to all employees, as announced on 6th December 2022.⁷²

Firstly, uplifting workers to the real Living Wage could contribute towards narrowing pay gaps in the labour market, including the gender, disability and ethnicity pay gaps. Further, women are overrepresented in low pay sectors and therefore could experience disproportionate benefits from being paid the real Living Wage. While pregnant women and mothers could receive an increase in maternity pay for those whose income increases with the real Living Wage. This action could also positively impact young employees aged 18-24 who are less likely to be paid the real Living Wage.

This action could also have positive impacts on the cost of living across disadvantaged groups in society. Payment of the real Living Wage could contribute to meeting the additional living costs faced by disabled people and alleviate in-work poverty for households with disabled members who are more likely to experience poverty. It could also reduce the levels of in-work poverty disproportionately experienced by racialised minority households and households with children.

These impacts could be more acutely felt given the current cost of living crisis. Increasing the disposable income households have available to purchase basic and essential goods could raise standards of living and minimise the risk of poverty. Payment of the real Living Wage could relieve the disproportionate financial

⁷² Scottish Government (2022). Grants link to boost Fair Work. Available at: [Grants link to boost Fair Work - gov.scot \(www.gov.scot\)](https://www.gov.scot/Grants-link-to-boost-Fair-Work)

pressures experienced by single-parent households, households with a disabled member and households with a baby during this economic crisis.

Stakeholders representing young women expressed the positive impact of being paid the real Living Wage in establishing equity in the early stages of women's careers and uplifting them to a position not currently accessible. However, this was followed with a concern that employees could implement the real Living Wage as 'standard pay' rather than enforcing pay brackets, which could restrict opportunities for progression in both pay and grade.

Island community stakeholders further noted the disproportionate positive impact the real Living Wage could have on women living in rural Scotland, particularly pregnant women, and mothers, who are the lowest paid nationally and most likely to work part-time. Further links were made between paying the real Living Wage and reducing poverty, particularly child poverty across the island communities.

However, other stakeholders expressed concern for the viability of the third sector should they need to pay the real Living Wage to secure funding. The third sector should be recognised both as an employer in receipt of government financial support and as a service provider for higher risk groups.

Third sector organisations may have to reduce staff numbers to afford paying increased wages. This could have negative consequences for the delivery of services to high risk groups, particularly in the context of the current cost of living crisis. Further, a representative of disabled people mentioned that many disabled people are interested in working in the third sector. Therefore, payment of the real Living Wage could not only reduce the availability of essential services for protected characteristic groups but also reduce opportunities for employment for a group that is already at risk of unemployment.

Consequently, the Scottish Government should consider how they could assist credible third sector organisations in fulfilling this Bute House Agreement commitment to ensure they can continue to deliver their equality duty.

Secondly, providing channels for effective voice facilitates open communication with workers to share their lived experiences, advocate for equal rights and ultimately improve workplace culture. Through giving workers a voice, they could feel more trusted and valued in the workplace and recognise that their voice matters. These channels could particularly benefit those at high risk of discrimination in the workplace.

One stakeholder highlighted that employee forums can hold significant power and influence as a channel for effective voice, often leading to positive narratives within organisations. However, employees with negative experiences may not feel comfortable sharing these through an in-work forum. Therefore, when implementing this action, the Scottish Government should ensure an avenue for negative experiences is taken into consideration.

A stakeholder representing young women felt that women's rights to participate in trade unions is not widely known and that few women reported utilising trade unions to support them at work. Therefore, there is a need to increase the representation of diversity within channels for effective voice, especially promoting the use of student unions amongst young women.

Other stakeholder feedback was related to young employees' engagement with channels for effective voice. Many young people will be in their first experience of employment and may feel too inexperienced to speak out against workplace discrimination. Therefore, in implementing this action, the Scottish Government should consider how channels for effective voice can be inclusive enough so the youngest employees can participate, such as encouraging employers to inform young people of trade unions when onboarding.

As Fair Work conditionality is extended across the other Fair Work principles, as assessed under action 2.1.2 below, the positive impacts of this action could be enhanced.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 2.1.2: Consider how we can extend conditionality to the other Fair Work principles, including opportunity, security, respect and fulfilment by 2025.

The extension of conditionality to all five Fair Work principles could generate wide-ranging benefits across the protected characteristic groups.

Extending conditionality to opportunity could equalise access to the labour market and generate positive impacts for protected characteristic groups at risk of unemployment and underemployment. This could include women, older people, disabled people and racialised minorities. Disabled people may experience disproportionate positive impacts because stakeholders particularly identified lack of opportunity as the most restricting labour market inequality experienced by disabled people.

Security is largely linked to having a consistent income and thereby could bring particular benefit to those overrepresented in zero-hour contracts and low-paid insecure work, including women and racialised minority women.

Respect encourages mutual support within the workplace and recognises that everyone is entitled to feel valued regardless of pay, status or characteristics. Therefore, this action could lead to minimising feelings of isolation and discrimination within the labour market for vulnerable groups such as disabled people, women and racialised minorities.

Fulfilling work engages with both personal development and career progression. Increasing access to fulfilment in employment could nurture a workplace culture in which employees feel engaged, committed to making a difference, have some control over their work and can source opportunities for growth.

As Fair Work conditionality is extended across all forms of government support, as assessed under action 2.1.1 above, further positive impacts could be generated.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 2.2: By 2023 update the Fair Work First criteria to better reflect priority action required to address labour market inequalities faced by women, people from racialised minorities, and disabled people, ensuring people can enter, remain and progress in work.

Updating the Fair Work First Criteria could increase organisational awareness of labour market inequalities and increase employers' understanding of how best to meet the needs of workers at high risk.

This action could assist employers in eliminating gender discrimination within their workplace, especially for women experiencing occupation segregation and trapped in low-paid professions as well as pregnant women experiencing the 'motherhood penalty'. Employers could also increasingly meet the requirements to make reasonable adjustments for disabled people and reduced the likelihood of direct and indirect discrimination against disabled people. Further, positive action against racial discrimination in employment could uplift racialised minority workers from low-paid precarious positions into positions which match their qualifications.

One stakeholder recommended that the updated criteria engages with the lived experience of these protected characteristic groups. While data collection could inform such updates, lived experience could provide a richer understanding from the perspective of those experiencing the inequalities. This could also highlight intersecting experiences of groups at high risk, who may experience multiple barriers to entering, remaining, and progressing in the workplace, such as racialised minority women and disabled women.

Due to the impact on eliminating discrimination, the provisional EqIA score for this action is minor positive.

Headline action 3: We will support employers to utilise the resources and support available to embed Fair Work in their organisations. We will work collaboratively to develop these resources to support and build capability among employers, employability providers and partners.

Supporting employers to embed fair work principles and implement best practice is likely to further the aims of the Public Sector Equality Duty in eliminating discrimination, promoting equal opportunities, and fostering good relations in the labour market.

However, the positive impacts experienced by protected characteristic groups are limited through barriers to embedding fair work practices, including the Covid 19 pandemic, changing demographics and technological change.

Achieving this headline action would achieve a broadly positive impact on protected characteristic groups' ability to enjoy article 14 of the Human Rights Act while supporting the realisation of right contained in the Convention on the Elimination of All Forms of Racial Discrimination (CERD) and article 27 of the UN Convention on the Rights of Persons with Disabilities (UNCRPD).

Action 3.1: By the end of 2023 we will work with partners to join up provision of advice and support for employers by establishing a central Fair Work resource, making it as simple and efficient as possible for employers to use. This would enhance and consolidate existing material to ensure employers have a clear route to access guidance, support and advice on Fair Work. It will involve:

- Advice and tools to promote the benefits of Fair Work and workplace equality
- Good practice case studies
- Advice on networking and establishing peer support groups
- Collaboration with existing trusted business support services and partners

Establishing a central Fair Work resource could positively impact all protected characteristic groups through enhanced employer awareness and understanding of requirements under the Equality Act 2010. Informing employers of the positive outcomes of employing people with protected characteristics and tools available to assist the employment of these groups could advance equality of opportunity and diversify the workforce.

Providing resources on fair work could disseminate knowledge to overcome stereotypes within the labour market. For example, women experience occupational segregation to 'women's roles' in low-paid caring professions and mothers are perceived as less productive and less valuable members of the workforce. Similarly, disabled people are often considered as passive recipients of care rather than active members of society. Therefore, establishing a central resource could both educate employers and direct employers to advice and best practice in dealing with these stereotypes to establish fair access for all employees.

Stakeholder engagement highlighted the importance of engaging with lived experience through the provision of real-life case studies. These could demonstrate

practical positive actions for organisations who may struggle to engage with fair work and have a workforce with limited diversity.

Recognition that this central resource must be “as simple and as efficient as possible for employers to use” could overcome accessibility barriers for employers with tight capacities, especially within smaller organisations, and generate more widespread impacts on protected characteristic groups across Scotland’s labour market.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 3.2: Develop a communications strategy to highlight and promote the benefits of Fair work and a diverse workplace to employers including;

- adoption of payment of at least the real Living Wage;
- effective voice channels, tackling the gender pay gap; and
- recruiting, employing and supporting disabled people and workers from racialised minorities.

The strategy will be informed by sectoral and regional analysis and utilise a range of channels.

The direct impacts of adopting payment of the real Living Wage and providing effective voice channels have been discussed under action 2.1.1 above.

Developing a communications strategy could reduce the labour market stigma responsible for disability and racialised structural and systemic barriers to employment. In terms of disability, this could increase organisational awareness of best practice including reasonable adjustments and flexible working requirements. While educating employers on how racial discrimination is embedded in the labour market could lead to better informed recruitment and retention policies to eliminate racial inequality and increase diversity within the workforce.

In particular, black graduates experience the widest pay gap and racialised minority women are trapped in low-paid precarious positions.⁷³ Therefore, these groups could benefit most acutely from this action.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 3.3: Increase the number of people who have security of pay and contract by encouraging employers to seek real Living Wage and Living Hours accreditation. We will achieve this through our continuing support of Living Wage Scotland to achieve an additional 5,000 workers uplifted annually to the real Living wage through increases in employer accreditation.

This action could further the direct positive impacts of adopting payment of the real Living Wage discussed under action 2.1.1 above. A particular benefit may be felt by racialised minority women who have been ‘left behind’ on recent pay gap progress and experience both intra-group and inter-group pay gaps.

⁷³ Trade Union Congress (2016). Black workers with degrees earn a quarter less than white counterparts. Available at: [Black workers with degrees earn a quarter less than white counterparts, finds TUC | TUC](#)

One stakeholder expressed that while a target of 5,000 workers being uplifted to the real Living Wage appears significant, this action could be fulfilled by one large, accredited employer. There are no conditions surrounding this action which could target employees at high risk in the labour market and those less likely to be paid the real Living Wage. Therefore, the implementation stage should consider how the benefits of this action could extend equality of opportunity.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is neutral.

Action 3.4: By the end of 2025 we will review and disseminate learning and best practice from on the conclusion of the 2024 Workplace Equality Fund.

The dissemination of learning from the Workplace Equality Fund could encourage positive action to eliminate labour market inequalities and barriers to recruitment, retention and progression. This could foster good relations and increase diversity in the Scottish workforce through encouraging the recruitment and promotion of underrepresented groups, especially women, disabled people and racialised minorities.

Due to the impact on eliminating discrimination, the provisional EqIA score for this action is minor positive.

Action 3.5: We will develop and promote guidance to encourage more employers across all sectors to use positive action measures as per the Equality Act 2010 giving particular attention to sex, pregnancy, race, age and disability by end 2024.

Broader promotion of guidance and the practice of positive action could inform progress to addressing labour market inequalities and could enable organisations to fulfil their equality duty. The recognition of 'all sectors' in this action demonstrates that during implementation the Scottish Government intend to secure far-reaching positive action across the public, private and third sector.

Women could experience advanced equality of opportunity in the labour market as a result of this action, including uplifted wages and status, and pregnant women and mothers could overcome the 'motherhood penalty'. While young people who are currently overrepresented in zero-hour contracts could access more secure employment, the disability employment gap could be narrowed, and racial discrimination could be mitigated.

One business stakeholder felt that organisations may not have the skills to implement these Fair Work practices, especially when applying positive action to recruitment processes. For example, one organisation reported that employees have insufficient digital skills to recruit a younger workforce, which could limit the scope of their equality duty in terms of age. Therefore, to secure equal access for all protected characteristic groups, guidance should also encourage skills development for employers and managers within organisations.

Further, a disability organisation recommended that positive action guidance for disabled people should focus on offering training to bridge the gap between their non-disabled counterparts. They reported a stereotype that disabled people do not have enough skills to secure employment, when it is a lack of opportunity which creates barriers to entry. Therefore, instead of the guidance focusing on providing

skills workshops for disabled people, it should focus on the advancement of opportunity in which people know they will not be subject to discrimination.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

Action 3.6: We will continue to promote existing and new advice and guidance on the benefits of flexible working to organisations across Scotland by working with public bodies to assess provision and highlight best practice throughout this parliamentary term (by 2026).

Evidence of flexible working in practice and stakeholder engagement supports the positive impact of this action for women with caring responsibilities, pregnant women, and disabled people. Increasing organisational awareness of the benefits of flexible working and demonstrating best practice could reduce labour market discrimination and victimisation towards employees who require reasonable adjustments or have caring responsibilities.

Guidance on flexible working could highlight the need for flexibility amongst pregnant women and mothers. Pregnant women may require flexible working hours to attend midwife appointments and the option to work from home when mobility is restricted in the later stages of pregnancy. Mothers currently experience segregation to part-time employment because of unpaid caring responsibilities. Educating employers on the benefits of flexible employment to mothers could advance access to full time and better paid opportunities within this group, which could ultimately reduce the risk of poverty especially amongst single parents.

The Trade Union Congress indicate the potential benefits of home working for disabled people, including greater control over working hours and the ability to adapt routines to suit disabled worker's needs. Further, home working has been reported to reduce fatigue and improve mental health. However, best practice guidance must highlight the importance of providing appropriate office equipment and software to enable full engagement from home, such as speech to text programmes.

During stakeholder engagement, one organisation expressed the need for guidance to clarify the difference between flexible working requests and reasonable adjustment requests for both employers and disabled employees. They felt that disabled employees may experience a barrier in the labour market should they apply for reasonable adjustments through the flexible working path.

This stakeholder also felt that mental health needed to be recognised as a hidden disability within this guidance. Lived experience revealed a tendency for organisations to downgrade mental illness to mental wellbeing, leading to action being filtered into staff training and wellbeing days. This action could generate greater understanding and better-informed positive action of mental illnesses. Further, individuals can often be on the mental health waiting list for 18 months, during which time their working ability may suffer. Instead of this posing a risk to employment, employers should be advised on how to support employees until they are able to receive medical attention, such as rearranging their duties and offering reasonable adjustments.

This could also have intersectional benefits for racialised minority groups. One stakeholder expressed that racialised minorities are more likely to experience

traumatic events and can attribute labour market inequalities to health. Therefore, greater understanding of mental health through the implementation of this action could also offer reasonable adjustments for disabled racialised minority groups.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqlA score for this action is minor positive.

Action 3.7: Working with employers, equality stakeholders and training providers, develop and implement an intersectional and anti-racist training framework by 2025.

Developing an anti-racist training framework could reduce labour market stigma responsible for racialised structural and systemic barriers to employment. Embedding race equality training in all positions and responsibilities within an organisation could foster good relations within the workplace, provide greater support for racialised minorities in the workplace and better-inform policies and practices to eliminate racial discrimination.

Engagement with equality stakeholders and training providers could also benefit the framework through providing lived experience and expertise in racial inequality.

Taking an intersectional approach, the training framework could generate benefits for racialised minority women who are overrepresented within part-time, insecure, and low-paid work. Disseminating training could highlight this current labour market inequality and uplift women into secure employment agreements and positions of more equal pay, which could have knock-on positive impacts of reducing in-work poverty across racialised minority households.

Further, anti-racist training could minimise discrimination in the application stage. One stakeholder evidenced that racialised minority graduates are disproportionately unable to secure employment that matches their qualifications and fall into low-paid jobs such as retail and call centres. This underemployment can increase vulnerability to debt and poverty if salaries do not enable students to pay back education fees. Therefore, overcoming the initial barrier of entry for racialised minority students could generate both short and long-term positive impacts.

However, the scope of these positive impacts is dependent on the capacity and willingness of businesses to participate in the training framework. Smaller organisations may struggle to allocate time for anti-racist training. Therefore, implementation must support organisational engagement to ensure the benefits are widespread for racialised minorities.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqlA score for this action is major positive.

Action 3.8: We will work with employers and trade unions, in sectors where low pay and precarious work can be most prevalent, to develop sectoral Fair Work agreements that deliver improved employment outcomes such as payment of the real Living Wage, better security of work, and wider “Fair Work First” standards.

The development of sectoral Fair Work agreements could advance equality of opportunity for the most at risk protected characteristic groups in the labour market who are overrepresented in low-paid and precarious employment. This includes young people, women, disabled people and racialised minorities.

Accompanying greater security in employment and increased salaries could be foster a workplace culture in which these groups feel more valued and respected by co-workers.

The impacts of paying the real Living Wage discussed under action 2.1.1 are also relevant here, especially amongst women, disabled households and racialised minority households. The positive impacts discussed could also be linked to increased socioeconomic wellbeing and uplifting people out of in-work poverty.

Similarly, increasing security of work could particularly benefit young people and women who are disproportionately represented across zero-hour contracts. Removing the inappropriate use of these contracts could secure regular hours and flows of income for these populations. This could generate an indirect positive impact of improved personal finances and household finances which increases the affordability of basic and essential items.

While working with trade unions positively represents employee voice, other effective voice channels could be engaged with such as employee forums. Stakeholders supported the power and influence these forums can have on workplace activities and the value of lived experience which they provide. Therefore, the sectoral Fair Work agreements could benefit further from wider engagement with employee stakeholders.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is major positive.

Action 3.9: We will work with employers, workers and trade unions to strengthen effective voice, through a range of appropriate channels. We will do this by supporting strong trade unions and, in line with our NPF employee voice indicator, will promote the benefits of collective bargaining (including sectoral agreements) and other forms of effective voice at individual and collective levels.

The impacts of providing channels for effective voice discussed under action 2.1.1 are also applicable here. Strengthening effective voice and highlighting the value of collective bargaining could establish an open line of communication within the workplace and foster inclusive and fair relations within the labour market.

This action could encourage the involvement of women and young employees in effective voice channels. Representative stakeholders expressed a current lack of knowledge or confidence to participate in workers' unions, which minimise contributions of lived experience. Therefore, enhancing the focus on workers voice could increase the representation of protected characteristic groups across appropriate channels and advance equality of opportunity for all.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

Headline action 4: We will work collaboratively to develop resources to support workers to access, remain and progress in fair work.

This headline action is likely to further the aims of the Public Sector Equality Duty in eliminating discrimination, promoting equal opportunities, and fostering good relations through supporting workers access, retention, and mobility in the labour market.

Communicating employment and skills opportunities to protected characteristic groups furthest from the labour market may be challenging, especially for those with no internet access, limited access to job services and requiring accessible formats.

Achieving this headline action would achieve a broadly positive impact on protected characteristic groups' ability to enjoy article 14 of the Human Rights Act, while also supporting the realisation of rights within the CERD, article 27 of the UNCRC and Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Action 4.1: Work with enterprise agencies and Business Gateway to promote Fair Work and deliver wider conditionality, and:

Action 4.1.1: By end of 2023 undertake a review of the Business Gateway website, utilising analytical and tracking techniques to ensure that disabled people find the website accessible, and are able to utilise the advice given to overcome the barriers they face.

This action could overcome accessibility barriers for disabled business owners and establish inclusivity in business support. In addition to analytical and tracking techniques, it could be beneficial to engage with disabled people themselves to confirm accessibility in practice.

Despite these positive accessibility impacts, stakeholder engagement revealed additional financial barriers faced by disabled business owners when starting up a new business. Therefore, they suggested a development on this action, which could be the implementation of additional grants and monetary support for disabled start-ups.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 4.2: Scottish Government Employability Delivery: we will continue to work with Fair Start Scotland providers, within the timescales of the current contract until March 2023, to implement a continuous improvement approach to enhance delivery and outcomes for disabled people and those furthest from the labour market, including people from racialised minorities and women. This will include drawing upon learning from Pathfinders/test and learn projects being delivered by Disabled People's Organisations and the pilot project on community engagement being delivered by CEMVO Enterprises CIC in 2022/23.

A focus on Employability Delivery could continually advance labour market outcomes for disabled people, women and racialised minorities through providing tailored and person-centred support which draws upon learning from initiatives in practice to better inform delivery plans for these groups.

In particular, the Fair Start Scotland Evaluation (Year 3) indicates the need to improve the Fair Start Scotland service for disabled people. This evaluation reveals that the proportion of disabled individuals signing up to the service has dropped from 55% in Year 1 of its delivery to 32% in its third year, and those with a limiting health condition were also more likely to leave because the service was not relevant to their needs.⁷⁴

In reference to this evidence, one stakeholder felt that the service did not explore flexible and home working as a reasonable adjustment for disabled members. They further felt that service providers overlook the need to create access to opportunity for disabled members and instead focus on skills creation. Therefore, this action could continually provide opportunities to improve the effectiveness of this service for disabled people.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is major positive.

Action 4.3: Scottish Government to work with stakeholders to develop a Delivery Plan 2023-26, outlining the next phase development of No One Left Behind (NOLB) from April 2024. This will:

Action 4.3.1: Build Fair Work outcomes into the design of No One Left Behind by taking account of the lived experience and needs of disabled people, people from racialised minorities, women and the over 50s.

This action could inform the delivery of a person-centred employability system which is responsive and flexible to a diverse labour market. It could increase the Scottish Government's engagement with the lived experience of protected characteristic groups to better prepare employees for work through an employability system that is tailored to their needs. This could further foster good relations between employers and employees through a shared understanding of labour market experiences.

Updating the No One Left Behind partnership for disabled people this way acknowledges the social model of disability. Engagement with lived experience overcomes the stereotype of disabled people being passive recipients of care, and instead acknowledges their contributions to the working economy.

Further, this action could eliminate racialised structural and systemic barriers to entering and progressing in employment. It could also generate mental health and wellbeing benefits for racialised minorities after reporting feelings of lost governmental support during the Covid pandemic.

This action could also tackle gender and pregnancy discrimination in the workplace through acknowledging labour market stereotypes associated with women. It could tackle occupation segregation which traps women in low-paid 'women's roles', typically in caring professions, as well as the motherhood penalty which restricts career progression for pregnant women and returning mothers.

Finally, the lived experience of older employees could tackle the consequences of ageism in the workforce, including forced retirement and restricted career

⁷⁴ Scottish Government (2021). Fair Start Scotland Evaluation Report 4: Overview of Year 3 (October 2021). Available at: [Fair Start Scotland Evaluation Report 4: Overview of Year 3 \(www.gov.scot\)](https://www.gov.scot)

progression. This could consequently alleviate financial pressures of early retirement and improve the mental health of this age group.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

Action 4.3.2: Draw upon the findings and recommendations of the following:

- Health and Work Strategy Review (2019)
- Supported Employment Review (2022)
- Health and Work Support Pilot final evaluation (2022)
- Individual Placement and Support Review (2022 – forthcoming)

Action 4.3.2 has the potential to deliver positive impacts for disabled individuals and those with a health condition. The recommendations of these reviews prioritise access to fair and healthy work that is tailored to individual needs and supports reasonable adjustments where required.

This action could narrow the largest employment gap in the Scottish labour market – the disability employment gap. These reviews offer mitigation against the risk of losing employment due to ill health and facilitate the return to work after health-related absence. Individual Placement and Support delivers positive employment and health outcomes for those with mental health problems.

A full assessment of the positive impacts action 4.3.2 generates is dependent on the implementation of these recommendations.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 4.4: Skills Development Scotland (SDS) and Scottish Funding Council (SFC) will, on an annual basis, review disaggregated management information including the newly disaggregated Learning Disability statistics and take action where required where poorer outcomes or underrepresented groups are identified. This will include:

Action 4.4.1: Review the equality incentives for disabled people in relation to Work Based Learning (WBL) and make recommendations by end March 2024 with regard to impact on participation and achievement rates for disabled people.

Reviewing disaggregated data could generate positive impacts through providing a more comprehensive overview of labour market inequalities and identifying the at-risk groups with specific needs. Disproportionate positive impacts could be generated through engagement with the newly disaggregated Learning Disability statistics. Previously, data on learning disabilities has not always been separated from 'disabilities' data.⁷⁵ This creates a barrier to assessing whether the needs of those with learning disabilities are being fulfilled. Therefore, action 4.4 could identify previously unknown outcomes and take forward positive action where necessary.

⁷⁵ Scottish Government (2021). Review of Supported Employment within Scotland: Findings and Recommendations. Available at: <https://www.suse.org.uk/wp-content/uploads/2022/09/SE-Review-Final-Report-270922.pdf>

The focus of action 4.4.1 on Work Based Learning could generate disproportionate positive impacts for young disabled students undergoing the transition from school to higher education. This group are particularly at risk of unemployment and are underrepresented in higher education. Therefore, the potential for increasing participation and achievement rates for disabled school leavers could be positive.

While taking a continuous approach is effective, one stakeholder recommended that a third-party input, from an organisation such as the Equality and Human Rights Commission, could add a valuable and unbiased perspective on the annual reviews.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 4.4.2: Review learning from pilot projects for Foundation Apprenticeships for disabled pupils and mainstream lessons learned by October 2023.

Reviewing Foundation Apprenticeships could advance opportunities for disabled students undergoing the transition to employment through an apprenticeship scheme, who are at risk of unemployment.

One stakeholder felt that the positive impacts of this action could be enhanced through extending this action to apprentice schemes at all levels. This engagement revealed that disabled people often have multiple advanced degrees because “they become trapped on a ‘conveyor belt’ of education”. Despite this, people often assume that disabled people lack skills rather than acknowledging their vulnerability to unemployment through a lack of opportunity. Consequently, extending this action to all apprentice schemes could bridge the gap between school and the workplace for disabled students more widely.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 4.4.3: Use intelligence from training and learning providers and participants to develop and deliver disability equality-focused continuous professional development to build the capacity of learning providers to support disabled individuals and ensure a continuous development cycle is implemented by 2023.

Professional development focused on disability and equality could increase organisational awareness of the reasonable adjustments required for disabled employees to work effectively and feel comfortable in the workplace. This action could also facilitate continuous engagement with employers on disability support and guidance, which could ensure that the needs of disabled employees are consistently being met.

One stakeholder acknowledged the benefits of using intelligence but recommended that the training and learning providers should be organisations who deliver services to disabled people, rather than those delivering services about disabled people. They proposed sourcing guidance from inclusive living organisations and disability alliances who are well informed on lived experience and best practice from a disabled person’s perspective.

Due to the impact on fostering good relations, the provisional EqIA score for this action is minor positive.

Action 4.5: Skills Development Scotland (SDS) will:

Action 4.5.1: Implement Scotland's Career Review recommendations and develop a model to ensure future career services across sectors provide meaningful and accessible support for disabled people that is both tailored to their needs and available when they need it. The implementation phase of the Career Review is due to be completed by the end of 2022.

Scotland's Career Review recommendations were published in February 2022.⁷⁶ The review engaged with the lived experiences of young people and stakeholders representing a diverse range of backgrounds and generated recommendations tailored to the needs of those who are most at risk in the labour market.

The implementation of these recommendations could generate positive impacts through addressing the specific needs of equality groups and eliminating labour market barriers. The review includes recommendations for those aged up to 25, disabled people, care experienced young people, women, racialised minorities and members of the LGBTI+ community. These recommendations could ultimately advance equality of opportunity through establishing diversity and inclusion across education, training, and employment.

In particular, the recommendations could positively influence the perception of disabled people through adopting the social model of disability. The social model promotes the autonomy of disabled people through recognising barriers established by society are the cause of disadvantage, rather than the disability itself. Therefore, this action could overcome stereotypes of disabled people and acknowledge their role as economically active members of society. Further benefits could be generated from the recommendation to remove labour market barriers rather than just mitigating against them.

Due to the impact on eliminating discrimination, the provisional EqIA score for this action is major positive.

Action 4.5.2: Skills Development Scotland (SDS) will continue to implement the Principles of Good Transitions across our Career Information Advice and Guidance (CIAG), through targeted Continuous Professional Development for all customer-facing CIAG colleagues and managers by the end of March 2023.

The Career Review recommends that career services embed the Principles of Good Transitions for young people.⁷⁷ This could generate positive impacts through recognising the dependencies between career services and post-school pathways, especially for disabled young people between the ages of 14 and 25 undergoing the transition to adult life. These impacts could include a reduction in post-school unemployment and an increased representation of disabled students across higher education.

Further, increasing organisational awareness of these principles through professional development could encourage services to employ a person-centred approach and

⁷⁶ Skills Development Scotland (2022). Careers by design. Available at: <https://www.skillsdevelopmentscotland.co.uk/career-review/>

⁷⁷ Scottish Transitions Forum (2017). The Principles of Good Transitions 3. Available at: <https://scottishtransitions.org.uk/summary-download/>

place young people in the centre of their transition planning, giving them the autonomy and access to opportunity that the current labour market lacks.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is major positive.

Action 4.6: Health and Work: Aligning with the Scottish Government's Fairer and More Equal Society (FMES) Programme by December 2023, Public Health Scotland (PHS) to:

- Collaborate with NHS Boards to develop the NHS Scotland contribution to achieving fair and healthy work outcomes for people across Scotland; and
- Work with Scottish Government, Local Government and NHS Boards to define the health offer to enable those with health conditions to secure, sustain and progress in work.

Collaborating with NHS Scotland could generate positive impacts for all protected characteristic groups through developing their capacity to offer support for fair work and wellbeing across Scotland.

Consideration of fair and healthy work outcomes could particularly benefit women and young people who are overrepresented across zero-hour contracts. Research has identified a link between zero-hour contracts and poor mental health. Therefore, this action could combat the inappropriate use of these contracts and reduce the mental health risk for affected groups.

Defining the health offer could further generate positive impacts for disabled people and those with a health condition. The contribution of professional expertise from the NHS Boards could better inform the provision of reasonable adjustments and ensure that specific needs are considered in the workplace.

Within this health offer, mental illness, as per the Equality Act, is recognised as a disability. As mentioned previously, the workplace tends to downgrade mental illness to mental wellbeing which limits organisational awareness of the need for reasonable adjustments. Therefore, through increasing awareness of mental illness through the health offer both disabled people and racialised minorities – who disproportionately experience mental illness – could benefit.

Due to the impact on advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

6. Assessment of Anti-Racist Employment Strategy

The actions listed in the Anti-Racist Employment Strategy have broadly been considered earlier in this document, where they sit throughout the Fair Work Action Plan. However, where additional assessment or comment is required, it has been included below.

Action 1: Establish a platform for exchanging learning and good operational practice among employers - practice that is anti-racist and intersectional in its approach.

This action sits within RAP action 3.1.

This action forms a component of the central Fair Work resource and could increase the number of employers addressing intersectional barriers in their workplace and creating safe, diverse, and inclusive workplaces.

This action could positively impact racialised minority groups through enhancing organisational awareness of racism and employers understanding of their PSED under the Equality Act 2010. Employers practicing an anti-racist approach could reduce racial discrimination in the workplace, set an example for employees and better workplace culture for racialised minority groups.

Incorporating an intersectional approach could further recognise the disproportionate impacts employees with more than one protected characteristic face in the labour market. Racialised minority women experience a larger ethnic employment gap than men and are typically trapped in part time and insecure work. Disseminating knowledge of these intersecting racial inequalities could encourage employers to target racialised minority women in recruitment and uplift their status in the workplace and ultimately the labour market.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is major positive.

Action 2: Undertake evaluation of the 'Minority Ethnic Recruitment Toolkit' to ensure it remains fit for purpose (anti-racist and intersectional) and is applied across the public sector. Consider augmenting the toolkit to include other accessible support sources, including those for retention and progression.

This action sits within RAP action 3.1.

This action also contributes to the development of a central Fair Work resource and could increase the number of racialised minority individuals entering the labour market and develop a labour market that is representative of the population it serves.

Delivering a toolkit tailored to the recruitment of racialised minorities could eliminate structural racism and narrow the 11.7% employment gap between minority ethnic groups and the white population. This could generate long-term positive impacts through reducing racialised minority households' risk to in-work poverty.

Extending accessible support to the retention and progression of racialised minorities could better fulfil the outcomes of the ARES and advance opportunities for racialised

minority groups who are overrepresented in low paid sectors with few opportunities for career progression, particularly racialised minority women and black graduates.

Further, the development of a toolkit tailored to the private and third sector could deliver more widespread positive impacts for racialised minorities. Racialised minorities working in the private sector were particularly affected by the Covid-19 pandemic due to their concentration in 'shut down' sectors such as transport, security and retail. Therefore, a toolkit to increase the recruitment, retention, and progress of racialised minority groups in the private sector could assist the recovery from the pandemic. The third sector organisations offering services to racialised minority groups could also benefit from the recruitment of racialised minority groups to better inform the delivery of services.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 3: Promote and disseminate learning and practice that shows positive change in employers' end to end processes to increase the representation of racialised minorities.

This action sits within RAP action 3.1.

The dissemination of learning and practice will contribute to the Fair Work resource under action 3.1 of the RAP and progress towards developing a labour market representative of the population it serves.

This action could eliminate racial discrimination in recruitment processes through demonstrating best practice examples. Racialised minority groups could also experience increased representation within the labour market, particularly within more secure and senior positions in which there is currently underrepresentation. Consequently, this has the potential to alleviate the poverty trap of low paid insecure employment and the risk of racialised minority households to in-work poverty.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is major positive.

Action 4: Develop an intersectional and anti-racist training framework for public and private sector employers by which to assess their training needs and improve the quality of training offered in the organisation.

This action sits within RAP action 3.7.

The positive impacts of developing an anti-racist framework are outlined under action 3.7 of the RAP and could increase the number of employers addressing intersectional barriers to proactively create a safe, diverse, and inclusive workplace.

Employers' engagement with anti-racist training could eliminate the labour market stigma responsible for racialised barriers to employment through better informed policies and practice in the workplace. Embedding this training across all positions within an organisation could also foster good relations and support for racialised minorities in the workplace.

Stakeholder engagement highlighted the importance of incorporating intersectionality in recruitment training to generate widespread positive impacts. Racialised minority women often experience occupational segregation to insecure and low paid

positions, while young black graduates experience the widest ethnicity pay gap. Anti-racist training could minimise these experiences of discrimination and barriers of entry to increase the representation of minority groups throughout the labour market.

Stakeholders expressed that clarification is required regarding how the Scottish Government intend to embed this framework, especially within organisations who have already established their own frameworks.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqlA score for this action is major positive.

Action 5: Produce guidance on positive action to support employers across the public sector and promote this guidance through a series of engagement sessions.

This action sits within RAP action 3.5.

As with action 3.5 of the RAP, this action could inform progress to address labour market inequalities experienced by racialised minority groups and enable organisations to fulfil their equality duty and contribute towards the outcomes of the ARES.

This action could increase organisational awareness of racially motivated disadvantage in the labour market and the appropriate actions to eliminate these. This could include actions to narrow the ethnicity employment pay gaps and foster a good workplace culture through non-discriminatory practice.

To enhance the positive impacts of this action, the dissemination of guidance should be extended to private, and third sector organisations and the engagement sessions should include representation from racialised minority groups themselves to provide a lived experience component to the guidance.

Due to the impact on eliminating discrimination and fostering good relations, the provisional EqlA score for this action is minor positive.

Action 6: By the end of 2025 we will review and disseminate learning and best practice on the conclusion of the 2024 Workplace Equality Fund.

This action sits within RAP action 3.4.

The positive impacts outlined under action 3.4 of the RAP are mirrored here, including the potential to increase diversity in the Scottish workforce through encouraging the recruitment, retention and progression of racialised minorities.

Racialised minorities could particularly benefit from conclusions drawn as the Fund supports the delivery of the Race Equality Framework and offers grants to eliminate employment inequalities and barriers for racialised minorities.

Due to the impact on eliminating discrimination, the provisional EqlA score for this action is minor positive.

Action 7: Oversee pilot to improve engagement of employers and employability services with racialised minority communities. Includes work to support EQIA process among employers, improving the quality of assessments and how the practice can be embedded at the start of a process or policy development.

This action sits within RAP action 4.3.

Engagement with employability services could increase the recruitment, retention and progression of racialised minorities in the labour market through tailored accessible support. This could assist in developing a labour market which is representative of the population it serves.

This action also supports the equality duties of employers under the Equality Act 2010 through encouraging equality impact assessments. This could ensure that workplace processes and policies fulfil the three needs of the PSED and are non-discriminatory and remove barriers for racialised minorities in the workplace. Racialised minority groups could therefore be relieved from the poverty trap of low paid insecure employment and experience a lesser vulnerability to in-work poverty.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

Action 8: We will work with Labour Market Analysis colleagues to run a series of dissemination sessions when labour market statistics on ethnicity are published to make employers (and stakeholders) aware of data that is available and to support them to use national data to help inform their practice.

This action sits within RAP action 1.5.

The positive impacts of action 1.5 within the RAP are applicable here. The dissemination of official statistics could highlight racial inequalities in the labour market and encourage employers to take forward actions informed by evidence. This could include positive action to tackle the employment gap and ethnicity pay gap, which could generate knock-on effects to improve the livelihood of racialised minority groups.

Where possible, the dissemination sessions should provide intersectional analysis to indicate the disproportionate risk racialised minorities who share another protected characteristic face in the labour market. For example, highlighting that racialised minority women experience larger employment and pay gaps than men could inform positive action for employers to uplift the status of female workers.

Due to the impact on eliminating discrimination and advance equality of opportunity, the provisional EqIA score for this action is minor positive.

Action 9: We will continue to press the UK Government to mandate ethnicity pay gap reporting, legislate for the prohibition of caste discrimination under the Equality Act 2010.

This action sits within the aggregated action narrative of RAP as follows: "We will also lobby the UK Parliament for key changes to reserved legislation to address racialised systemic inequity, including mandating employers to report their ethnicity pay gap."

This action could establish a more equal and fair labour market through legislation. Mandating ethnicity pay gap reporting could narrow the 10.3% pay gap (as recorded by ONS in 2019).⁷⁸ Prohibiting caste discrimination could enhance the PSED of employers under the Equality Act 2010 to remove systemic discrimination and increase the recruitment, retention and progression of racialised minorities in the workforce.

Disproportionate positive impacts could be felt by racialised minority women who are overrepresented in precarious work and have been left behind in pay gap progress both within and between ethnic groups.

However, the ability of small organisations to collect and publish usable data in relation to the ethnicity pay gap without experiencing GDPR conflicts could withhold the positive impacts of this action. Further, stakeholders expressed concerns regarding the anonymity of pay gap data, especially when sharing intersectional analysis for groups with one or more protected characteristics such as racialised minority women.

Further, the degree of impact felt by racialised minorities in Scotland is dependent on the decision of the UK Government.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqIA score for this action is neutral.

Action 10: Work with partners to establish senior leadership networks to build capability and understanding of racism and racial inequality in the workplace by the end of 2023.

This action sits within RAP action 1.4.

The impacts of this action have been discussed under action 1.4 of the RAP. Establishing senior leadership networks could influence cultural, systemic, and attitudinal change in the workplace which foster good relations and advance opportunities for racialised minorities. Consequently, stakeholders felt that racialised minorities should be represented within the senior leadership networks to ensure diversity of thought and understand the lived experience of racialised minority groups.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

⁷⁸ Data on the ethnicity pay gap is only provided to 2019 for this measure. The accuracy of income weights were affected by an issue with the coding of occupations identified by ONS. Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-published-and-released/2022/01/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021/)

Action 11: Co-deliver a series of engagements with the public sector by end of 2023 to support employers to address the recommendations of the Scottish Parliament's Equalities and Human Right's Committee's inquiry report into race equality, employment and skills which recommended employers: assess their organisations' understanding of racism and structural barriers; and those subject to the Public Sector Equality Duty as a minimum, voluntarily record and publish their ethnicity pay gap and produce an action plan to deliver identified outcomes.

This action sits within RAP action 1.2.

The impacts of this action on racialised minorities have been discussed under action 1.2 of the RAP.

Engaging with the public sector could increase organisational awareness of racialised barriers in the labour market and encourage positive action towards eliminating racism and fostering a good workplace culture.

In particular, the publication of ethnicity pay gap data and a greater understanding of structural barriers could uplift the status of racialised minorities in the labour market, particularly racialised minority women.

However, stakeholders expressed data protection concerns in relation to publishing the ethnicity pay gap, especially when discussing intersectional characteristics.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqIA score for this action is minor positive.

Action 12: Ensure messaging around anti-racism and intersectionality is taken account of in Fair Work First guidance as used in procurement and grant funding processes.

This action sits within RAP action 2.2.

The impacts of this action are discussed under action 2.2 of the RAP. Updating Fair Work First guidance could increase the number of employers proactively creating a diverse and inclusive workplace which eliminates intersectional barriers.

This action could generate widespread anti-racist attitudes in the labour market. Sharing Fair Work First guidance and best practice examples across public body grant recipients could encourage organisations to identify and monitor Fair Work priorities as part of their funding commitments. While as part of the procurement process bidders could be asked to demonstrate how they will contribute to the Fair Work First criteria.

A consequence of these commitments could include eliminating racially motivated barriers in recruitment, retention and progression in employment. Ultimately, this could advance opportunities for racialised minorities, increase their representation within the labour market and uplift their status within the workplace.

Considering intersectionality within Fair Work First guidance could generate disproportionate positive impacts for racialised minority women. Women typically experience greater levels of occupational segregation in precarious work and larger pay gaps within and between ethnic groups. Therefore, commitments to anti-racist

and intersectional Fair Work First criteria could improve work outcomes for racialised minority women more significantly.

Due to the impact on eliminating discrimination, advancing equality of opportunity and fostering good relations, the provisional EqlA score for this action is major positive.

Action 13: The Scottish Government to undertake an equal pay audit examining pay gaps by gender, disability, race and age by March 2024. We will act on findings to review and refresh our recruitment and retention policies to address workplace inequalities by end of 2025.

This action sits within RAP action 1.1.

The positive impacts of this action are discussed under action 1.1 of the RAP.

Undertaking an equal pay audit could disseminate knowledge of existing labour market inequalities within the Scottish Government, while setting an example for the wider public sector on best practice.

Data on the ethnicity pay gap, especially in terms of intersectionality, is currently limited. Therefore, highlighting the position of racialised minorities in terms of pay could generate positive actions to uplift these groups to the position of their white counterparts and establish equality in the labour market. However, data protection and privacy should be maintained to prevent the identification of employees with more than one protected characteristic.

Due to the impact on eliminating discrimination and advancing equality of opportunity, the provisional EqlA score for this action is major positive.

7. Conclusions

This EqIA determines that the RAP and ARES are likely to further the aims of the Public Sector Equality Duty in eliminating discrimination, advancing equal opportunities and fostering good relations through increasing the number of employees subject to fairer and inclusive working conditions. For example, women, disabled people and racialised minorities could benefit from reduced unemployment and pay gaps, maternity pay and opportunities for pregnant employees may increase, and there may be a reduction in in-work poverty across multiple groups.

The potential negative impacts identified are limited to specific areas relating to the real Living Wage. Meanwhile the degree to which positive impacts are felt could be limited through uneven consideration of all protected characteristic groups and a lack of involvement from the private and third sector.

To address the potential negative impacts and continue to develop and implement the RAP and ARES effectively, the recommendations in chapter 8 are proposed.

8. Recommendations

There was encouraging feedback from stakeholders supporting the principles behind these Fair Work initiatives. The ambition to co-ordinate the draft documents with wider government activities was recognised, alongside the ability of the Scottish Government to combine three components – disability, gender and race – into one coherent action plan.

However, while understanding that the plan is focused on gender, disability and race, implementation should not prioritise one type of equality over another. Further, other characteristics will face comparable barriers which should be considered in approaches to implementing Fair Work more broadly.

Rights-based approach

Implementation should take a rights-based approach which considers the multifaceted identities of the population. It is important to recognise that all characteristics should enjoy the same rights to fair work and the actions and behaviours that should be taken to achieve this. Intersectionality should not be viewed as a data collection exercise, instead as an opportunity to identify and uplift those who are most at risk in the labour market.

Ongoing engagement

In line with the Scottish Government's stated commitment to continuous engagement during the implementation of the RAP and ARES, the implementation stage should recognise the importance of lived experience through the continuous involvement of equality organisations. This could overcome stakeholder concerns that amalgamating several actions plans into one document could more heavily focus on one characteristic over others.

While data can highlight the proportion of the population who fall into each category, lived experience recognises that each protected characteristic group is not homogenous, and people may identify in multiple different ways. Therefore, lived experience could provide a richer insight into the labour market for people with protected characteristics.

Monitoring and evaluation

A robust monitoring and evaluation framework for this and Impact Assessment is necessary to demonstrate progress against the RAP and ARES by 2025, in line with the ambition of Scotland being a leading fair work nation by 2025. Developing this framework in collaboration with relevant stakeholders is vital for measuring progress and will inspire confidence that tangible progress is being made to stakeholders.

Data protection and privacy

The implementation of any data collection action should be coupled with data protection and privacy guidance. The anonymity of data should always be maintained when publicly disseminating workforce data, especially when discussing intersectional data which reveals more than one characteristic of an individual. Employers should also demonstrate continuous privacy and confidentiality and the

appropriate use of data in the workplace, while employees should be informed on how their personal data is going to be used to ensure there is no misuse of information.

Appendix A Refreshed Fair Work Action Plan actions

A.1 Theme 1: Public sector leadership

A.1.1 Headline action 1: We will lead by example on the Fair Work agenda, including sharing and learning of practice, by 2025. We will continue to embed Fair Work in all public sector organisations, setting out clear priorities in the roles and responsibilities of public bodies

Action 1.1: Scottish Government will undertake an equal pay audit examining pay gaps by gender, disability, race and age by March 2024. We will act on findings to review and refresh our recruitment and retention policies to address workplace inequalities by end of 2025.

Action 1.2: Work with equality organisations and public sector employers to co-deliver a series of engagements with the public sector by end of 2023 to support employers to address the recommendations of the Scottish Parliament's Equalities and Human Rights Committee's inquiry report into race equality, employment and skills which recommended employers assess their organisations' understanding of racism and structural barriers; employers subject to the Public Sector Equality Duty as a minimum, voluntarily record and publish their ethnicity pay gap and produce an action plan to deliver identified outcomes.

Action 1.3: The EHRC and Scottish Funding Council (SFC) to:

Action 1.3.1: Implement National Equality Outcomes across protected characteristics (including disability, ethnicity, sex) from Sept 2022 to Sept 2025, in order to:

- improve student success and retention rates;
- ensure access to and confidence in support for students and staff that fosters good relations and tackle prejudice and discrimination;
- increase diversity of staff in the workforce and on College Boards and University Courts.

Action 1.3.2: Develop a set of SFC annual thematic reviews to inform and direct improvement.

Action 1.4: Work with partners to establish senior leadership networks to build capability and understanding of racism and racial inequality in the workplace by the end of 2023.

Action 1.5: We will work with Scottish Government's analysts to run a series of official statistics dissemination sessions with interested stakeholders to help inform their understanding of the labour market landscape in relation to fair work. Where available data allows, this will include considering intersectionality

A.1.2 Headline action 2: We will continue to use conditionality to further embed Fair Work in all public sector investment wherever possible.

Action 2.1: As part of the Bute House agreement and NSET, and within the limits on devolved competence, we will:

Action 2.1.1: Extend Fair Work conditionality with clear standards and minimum requirements to cover all forms of Scottish Government support within the limits of devolved competence. We will use all levers at our disposal to deliver on this commitment – including the use of grants, reliefs and licencing provisions

Action 2.1.2: Consider how we can extend conditionality to the other Fair Work principles, including opportunity, security, respect and fulfilment by 2025.

Action 2.2: By 2023 update the Fair Work First criteria to better reflect priority action required to address labour market inequalities faced by women, people from racialised minorities, and disabled people, ensuring people can enter, remain and progress in work.

A.2 Theme 2: Our ask of employers and support available

A.2.1 Headline action 3: We will support employers to utilise the resources and support available to embed Fair Work in their organisations. We will work collaboratively to develop these resources to support and build capability among employers, employability providers and partners.

Action 3.1: By end 2023 we will work with partners to join up provision of advice and support for employers by establishing a central Fair Work resource, making it as simple and efficient as possible for employers to use. This would enhance and consolidate existing material to ensure employers have a clear route to access guidance, support and advice on Fair Work. It will involve:

- Advice and tools to promote the benefits of Fair Work and workplace equality
- Good practice case studies
- Advice on networking and establishing peer support groups
- Collaboration with existing trusted business support services and partners.

Action 3.2: Develop a communications strategy to highlight and promote the benefits of Fair work and a diverse workplace to employers including;

- adoption of payment of at least the real Living Wage;
- effective voice channels, tackling the gender pay gap; and
- recruiting, employing and supporting disabled people and workers from racialised minorities.

The strategy will be informed by sectoral and regional analysis and utilise a range of channels.

Action 3.3: Increase the number of people who have security of pay and contract by encouraging employers to seek real Living Wage and Living Hours accreditation. We will achieve this through our continuing support of Living Wage Scotland to achieve an additional 5,000 workers uplifted annually to the real Living wage through increases in employer accreditation.

Action 3.4: By the end of 2025 we will review and disseminate learning and best practice from on the conclusion of the 2024 Workplace Equality Fund.

Action 3.5: We will develop and promote guidance to encourage more employers across all sectors to use positive action measures as per the Equality Act 2010 giving particular attention to sex, pregnancy, race, age and disability by end 2024.

Action 3.6: We will continue to promote existing and new advice and guidance on the benefits of flexible working to organisations across Scotland by working with public bodies to assess provision and highlight best practice throughout this parliamentary term (by 2026).

Action 3.7: Working with employers, equality stakeholders and training providers, develop and implement an intersectional and anti-racist training framework by 2025.

Action 3.8: We will work with employers and trade unions, in sectors where low pay and precarious work can be most prevalent, to develop sectoral Fair Work agreements that deliver improved employment outcomes such as payment of the real living wage, better security of work, and wider “Fair Work First” standards.

Action 3.9: We will work with employers, workers and trade unions to strengthen effective voice, through a range of appropriate channels. We will do this by supporting strong trade unions and, in line with our NPF employee voice indicator, will promote the benefits of collective bargaining (including sectoral agreements) and other forms of effective voice at individual and collective levels.

A.3 Theme 3: Support for people to prepare for, access and sustain fair work

A.3.1 Headline action 4: We will work collaboratively to develop resources to support workers to access, remain and progress in fair work.

Action 4.1: Work with enterprise agencies and Business Gateway to promote Fair Work and deliver wider conditionality, and:

Action 4.1.1: By end of 2023 undertake a review of the Business Gateway website, utilising analytical and tracking techniques to ensure that disabled people find the website accessible, and are able to utilise the advice given to overcome the barriers they face.

Action 4.2: SG Employability Delivery: we will continue to work with Fair Start Scotland providers, within the timescales of the current contract until March 2023, to implement a continuous improvement approach to enhance delivery and outcomes for disabled people and those furthest from the labour market, including racialised minorities and women. This will include drawing upon learning from Pathfinders/ test and learn projects being delivered by Disabled People’s Organisations and the pilot project on community engagement being delivered by CEMVO Enterprises CIC in 2022/23.

Action 4.3: Scottish Government to work with stakeholders to develop a Delivery Plan 2023-26, outlining the next phase development of No One Left Behind (NOLB) from April 2024. This will:

Action 4.3.1: Build Fair Work outcomes into the design of No One Left Behind by taking account of the lived experience and needs of disabled people, people from racialised minorities, women and the over 50s.

Action 4.3.2: Draw upon the findings and recommendations of the following:

- Health and Work Strategy Review (2019)
- Supported Employment Review (2022)
- Health and Work Support Pilot final evaluation (2022)
- Individual Placement and Support Review (2022 – forthcoming)

Action 4.4: Skills Development Scotland (SDS) and Scottish Funding Council (SFC) will, on an annual basis, review disaggregated management information including the newly disaggregated Learning Disability statistics and take action where required where poorer outcomes or underrepresented groups are identified. This will include:

Action 4.4.1: Review the equality incentives for disabled people in relation to Work Based Learning (WBL) and make recommendations by end March 2024 with regard to impact on participation and achievement rates for disabled people.

Action 4.4.2: Review learning from pilot projects for Foundation Apprenticeships for disabled pupils and mainstream lessons learned by October 2023.

Action 4.4.3: Use intelligence from training and learning providers and participants to develop and deliver disability equality-focused continuous professional development to build the capacity of learning providers to support disabled individuals and ensure a continuous development cycle is implemented by 2023.

Action 4.5: Skills Development Scotland (SDS) will:

Action 4.5.1: Implement Scotland's Career Review recommendations and develop a model to ensure future career services across sectors provide meaningful and accessible support for disabled people that is both tailored to their needs and available when they need it. The implementation phase of the Career Review is due to be completed by the end of 2022.

Action 4.5.2: Continue to implement the Principles of Good Transitions across our Career Information Advice and Guidance (CIAG), through targeted Continuous Professional Development for all customer-facing CIAG colleagues and managers by the end of March 2023.

Action 4.6: Aligning with the Scottish Government's Fairer and More Equal Society (FMES) Programme by December 2023, Public Health Scotland (PHS) to:

- Collaborate with NHS Boards to develop the NHS Scotland contribution to achieving fair and healthy work outcomes for people across Scotland; and
- Work with Scottish Government, Local Government and NHS Boards to define the health offer to enable those with health conditions to secure, sustain and progress in work.

Appendix B Anti-Racist Employment Strategy actions

B.1 Action 1: Establish a platform for exchanging learning and good operational practice among employers - practice that is anti-racist and intersectional in its approach

Theme in RAP: Our ask of employers and support available

Action 3.1 of the RAP: By the end of 2023 we will work with partners to join up provision of advice and support for employers by establishing a central Fair Work resource, making it as simple and efficient as possible for employers to use. This would enhance and consolidate existing material to ensure employers have a clear route to access guidance, support and advice on Fair Work. It will involve:

- Advice and tools to promote the benefits of Fair Work and workplace equality
- Good practice case studies
- Advice on networking and establishing peer support groups
- Collaboration with existing trusted business support services and partners

B.2 Action 2: Undertake evaluation of the 'Minority Ethnic Recruitment Toolkit' to ensure it remains fit for purpose (anti-racist and intersectional) and is applied across the public sector. Consider augmenting the toolkit to include other accessible support sources, including those for retention and progression.

Theme in RAP: Our ask of employers and support available

Action 3.1 of the RAP above.

B.3 Action 3: Promote and disseminate learning and practice that shows positive change in employers' end to end processes to increase representation of racialised minorities.

Theme in RAP: Our ask of employers and support available

Action 3.1 of the RAP above.

B.4 Action 4: Develop an intersectional and anti-racist training framework for public and private sector employers by which to assess their training needs and improve the quality of training offered in the organisation.

Theme in RAP: Our ask of employers and support available

Action 3.7 of the RAP: Working with employers, equality stakeholders and training providers, develop and implement an intersectional and anti-racist training framework by 2025.

B.5 Action 5: Produce guidance on positive action to support employers across the public sector and promote this guidance through a series of engagement sessions.

Theme in RAP: Our ask of employers and support available

Action 3.5 of the RAP: We will develop and promote good practice guidance for employers to showcase successful application of positive action measures as per the Equality Act 2010, giving particular attention to sex, pregnancy, race, age, and disability by end 2024.

B.6 Action 6: By the end of 2025 we will review and disseminate learning and best practice on the conclusion of the 2024 Workplace Equality Fund.

Theme in RAP: Our ask of employers and support available

Action 3.4 of the RAP: By the end of 2025 we will review and disseminate learning and best practice on the conclusion of the 2024 Workplace Equality Fund.

B.7 Action 7: Oversee pilot to improve engagement of employers and employability services with racialised minority communities. Includes work to support EQIA process among employers. To improve the quality of assessments and how the practice can be embedded at the start of a process or policy development.

Theme in RAP: Support for People to Access and Sustain Fair Work

Action 4.3 of the RAP: The Scottish Government's Employability Delivery will continue to work with Fair Start Scotland providers, within the timescales of the current contract until March 2023, to implement a continuous improvement approach to enhance delivery and outcomes for disabled people and those furthest from the labour market, including people from racialised minorities and women. This will include drawing upon learning from Pathfinders/test and learn projects being delivered by Disabled People's Organisations in 2022/23 and the pilot project on community engagement being delivered by CEMVO Enterprises CIC.

B.8 Action 8: We will work with Labour Market Analysis colleagues to run a series of dissemination sessions when labour market statistics on ethnicity are published to make employers (and stakeholders) aware of data that is available and to support them to use national data to help inform their practice.

Theme in RAP: Public sector leadership

Action 1.5 of the RAP: We will work with the Scottish Government's analysts to run a series of official statistics dissemination sessions with interested stakeholders to help inform their understanding of the labour market landscape in relation to fair work. Where available data allows, this will include considering intersectionality.

B.9 Action 9: We will continue to press the UK Government to mandate ethnicity pay gap reporting, legislate for the prohibition of caste discrimination under the Equality Act 2010.

Part of the aggregated action narrative – “We will also lobby the UK Parliament for key changes to reserved legislation to address racialised systemic inequity, including mandating employers to report their ethnicity pay gap.

B.10 Action 10: Work with partners to establish senior leadership networks to build capability and understanding of racism and racial inequality in the workplace by the end of 2023.

Theme in RAP: public sector leadership

Action 1.4 of the RAP: Work with partners to establish senior leadership networks to build capability and understanding of racism and racial inequality in the workplace by the end of 2023.

B.11 Action 11: Co-deliver a series of engagements with the public sector by end of 2023 to support employers to address the recommendations of the Scottish Parliament’s Equalities and Human Right’s Committee’s inquiry report into race equality, employment and skills which recommended employers assess their organisations’ understanding of racism and structural barriers; employers subject to the Public Sector Equality Duty as a minimum, voluntarily record and publish their ethnicity pay gap and produce an action plan to deliver identified outcomes.

Theme in RAP: public sector leadership

Action 1.2 of the RAP: Work with equality organisations and public sector employers to co-deliver a series of engagements with the public sector by end of 2023 to support employers to address the recommendations of the Scottish Parliament’s Equalities and Human Rights Committee’s inquiry report into race equality, employment and skills which recommended employers assess their organisations’ understanding of racism and structural barriers; employers subject to the Public Sector Equality Duty as a minimum, voluntarily record and publish their ethnicity pay gap and produce an action plan to deliver identified outcomes.

B.12 Action 12: Ensure messaging around anti-racism and intersectionality is taken account of in Fair Work First guidance as used in procurement and grant funding processes.

Theme in RAP: public sector leadership

Action 2.2 of the RAP: By 2023 update the Fair Work First criteria to better reflect priority action required to address labour market inequalities faced by women, racialised minorities, and disabled people, ensuring people can enter, remain and progress in work.

B.13 Action 13: The Scottish Government to undertake an equal pay audit examining pay gaps by gender, disability, race, and age by March 2024. We will act on findings to review and refresh our recruitment and retention policies to address workplace inequalities by end of 2025.

Theme in RAP: public sector leadership

Action 1.1 of the RAP: The Scottish Government to undertake an equal pay audit examining pay gaps by gender, disability, race, and age by March 2024. We will act on findings to review and refresh our recruitment and retention policies to address workplace inequalities by end of 2025.

Appendix C Relevant legislation and policy

C.1 National policy

C.1.1 Fair Work Framework⁷⁹

The Fair Work Convention published the Fair Work Framework in 2016. It sets out a vision that ‘by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society’.

The framework defines Fair Work through five dimensions: effective voice, opportunity, security, fulfilment, and respect. These dimensions support positive outcomes for employers, workers and society through balancing rights and responsibilities in the workplace. The reinforcing synergies within these five dimensions nurture a workplace where the benefits of productive and innovative work are shared, while society benefits from the potential transformation towards inclusive economic growth.

The five dimensions of Fair Work are as follows:

- **Effective voice:** Voice can improve the experience of work as well as improving organisational performance.
- **Opportunity:** Fair opportunity is, however, more than the chance to access work. Attitudes, behaviours, policies and practices within organisations – and, crucially, the outcomes of these produce – signal and reflect the value placed on fair opportunity.
- **Security:** Security of employment, work and income are important foundations of a successful life.
- **Fulfilment:** Workers who are fulfilled in their jobs are more likely to be engaged, committed and healthy.
- **Respect:** Fair work is work in which people are respected and treated respectfully, whatever their role and status. Respect at work is a two-way process between employers and workers.

⁷⁹ Fair Work Convention (2016). Fair Work Framework 2016. Available at: [Fair-Work-Convention-Framework-PDF-Full-Version.pdf \(fairworkconvention.scot\)](https://www.fairworkconvention.scot.nhs.uk/Fair-Work-Convention-Framework-PDF-Full-Version.pdf)

legislative and operational structures to achieve a just and fairer Scotland. Performance against this outcome is measured through indicators, including the following:

- Pay gap
- Contractually secure work
- Employee voice
- Gender balance in organisations
- Employees on the living wage
- The number of businesses
- High growth businesses

C.1.4 Developing the Young Workforce: Scotland's Youth Employment Strategy⁸⁴

The Youth Employment Strategy sets out how the Scottish Government will implement the recommendations from the Commission for Developing Scotland's Young Workforce with the ambition to improve youth employment levels beyond pre-2008 levels.

The strategy prioritises equal access to work relevant educational experience for all young people, despite the barriers they may face. The active role of employers in shaping the education system to generate a talented pool of future employees is also recognised.

Scottish Government and Local Government implementation plans are set out for schools, colleges, apprenticeships, and employers, demonstrating the importance of providing young people with the knowledge to make informed career choices throughout their school studies and beyond.

C.1.5 Tackling Child Poverty Delivery Plan 2022-2026⁸⁵

The 'Best Start, Bright Futures' delivery plan sets out a vision for tackling child poverty in Scotland, following the foundations of the 'Every Child, Every Chance' publication in 2018.

The plan recognises that an action cannot drive change in isolation, but cumulative impacts across sectors will bring about change for children and their families.

To successfully tackle child poverty, the plan will support families with children through holistic and people-centred services to access financial, emotional, and practical assistance. All parents, regardless of gender, race, or status, will be able to

⁸⁴ Scottish Government (2014). Developing the Young Workforce: Scotland's Youth Employment Strategy. Implementing the Recommendations of the Commission for Developing Scotland's Young Workforce. Available at: [Supporting documents - Developing the young workforce: Scotland's youth employment strategy - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2014/06/Supporting_documents_-_Developing_the_young_workforce:_Scotland's_youth_employment_strategy_-_gov.scot_(www.gov.scot))

⁸⁵ Scottish Government (2022). Best Start, Bright Futures: tackling child poverty delivery plan 2022-2026. Available at: [Supporting documents - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/06/Supporting_documents_-_Best_Start,_Bright_Futures:_tackling_child_poverty_delivery_plan_2022_to_2026_-_gov.scot_(www.gov.scot))

access high quality skills and ultimately good quality employment supported by childcare services.

The Plan sets out three parts, each of which contain key actions in achieving Scotland's offer to families as follows.

Part A: Providing the opportunities and integrated support parents need to enter, sustain and progress in work

- A strengthened employment offer to parents
- Connectivity and childcare to enable access to employment
- Transforming our economy

Part B: Maximising the support available for families to live dignified lives and meet their basic needs

- A transformational approach to people and place
- Enhanced support through social security
- Income maximisation
- Access to warm and affordable homes

Part C: Supporting the next generation to thrive

- Best start to life
- Supporting children to learn and grow
- Post school transitions

C.1.6 Covid Recovery Strategy⁸⁶

In response to the inequality and disadvantage both exacerbated and exposed by the Covid pandemic, the Scottish Government published the Covid Recovery Strategy.

The strategy prioritises the security and resilience of communities, businesses, society, and the economy. It sets out a vision to:

1. Address the systemic inequalities made worse by Covid
2. Make progress towards a wellbeing economy
3. Accelerate inclusive person-centred public services

Accompanying this vision are the following outcomes:

- Financial security for low-income households
- Wellbeing of Children and Young People
- Good, green jobs and fair work

⁸⁶ Scottish Government (2021). Covid Recovery Strategy: For a fairer future. Available at: [Supporting documents - Covid Recovery Strategy: for a fairer future - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2021/06/Supporting_documents_-_Covid_Recovery_Strategy_for_a_fairer_future_-_gov.scot)

The ‘good, green jobs and fair work’ outcome recognises the persistent gender employment and pay gap, disability employment gap and ethnic employment gaps, especially for minority ethnic⁸⁷ women.

By embedding fair work, skills and employability interventions, this outcome aims to increase productivity and enhance equality of opportunity for all to access and progress in work.

Actions from this outcome include gender, ethnicity and disability employment action plans, an ethnicity pay gap strategy, real Living Wage commitments and other Fair Work standards.

C.1.7 Race Equality Framework for Scotland 2016 to 2030⁸⁸

This framework sets out the Scottish Government’s approach to addressing racism and inequality between 2016 and 2030. Through showing leadership in advancing race equality and addressing barriers faced by racialised minorities, the Scottish Government will assist racialised minorities in realising their potential.

The key principles underpinning this ambition involve:

- Creating awareness of how race equality benefits the whole of society;
- Developing a detailed understanding of racial inequality and racism;
- Promoting policy and practice that is evidence based;
- Complementing mainstreaming approaches with lawful positive action;
- Valuing capabilities and capacities; and
- Looking at race equality from intercultural and intersectional perspectives.

The Framework was created to prioritise the needs and experiences of Scotland’s racialised minorities. It outlines how Scottish Government will work in partnership with government agencies and key stakeholders to address opportunities for progress through six themed Visions as follows.

- Overarching work: ‘our Vision for a fairer Scotland is that by 2030 Scotland is a place where people are healthier, happier and treated with respect, and where opportunities, wealth and power are spread more equally. The Race Equality Framework aims to ensure that this vision is achieved equally for people from all ethnicities, helping to build a Scotland where we all share a common sense of purpose and belonging.’

⁸⁷ The Scottish Government adopts the term ‘racialised minorities’ to show that it is systems and structures that do not work for those who are categorised on the basis of “race”, and because of this are sometimes treated differently or disadvantaged. These terms are becoming more widely used across Scottish Government, in line with our acceptance that racism is a structural issue. We support everyone’s right to self-identify according to the term they relate to or are most comfortable with. Terminology changes as societal and systemic understanding grows. It should be noted that in labour market data analysis, the term minority ethnic is used and in reserved legislation such as the Equality Act (2010), the term “race” is used. These terms are not helpful to understand how racialised inequity impacts on those who experience systemic, institutional or interpersonal racism.

⁸⁸ Scottish Government (2016). Race equality framework for Scotland 2016 to 2030. Available at: [Race equality framework for Scotland 2016 to 2030 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/html/2016/06/race-equality-framework-for-scotland-2016-to-2030)

- Community cohesion and safety: 'We build good race relations and community cohesion across all communities, and all minority ethnic individuals feel safe, protected and included, and experience less racism.'
- Participation and representation: 'Minority ethnic participation and representation is valued, effective, fair and proportionate at all levels of political, community and public life.'
- Education and lifelong learning: 'Everyone has the opportunity to learn in an inclusive environment without disadvantage in relation to racial inequality or racism.'
- Employability, employment and income: 'Minority ethnic people have equal, fair and proportionate access to employment and representation at all levels, grades and occupation types in Scotland's workforce and experience fewer labour market, workplace and income inequalities.'
- Health and income: 'Minority ethnic communities in Scotland have equality in physical and mental health as far as is achievable, have effective healthcare appropriate to their needs and experience fewer inequalities in housing and home life.'

The Scottish Government recognise the importance of monitoring and maintaining progress on the Framework and aligning the Framework to the National Performance Framework to further mainstream race equality.

C.2 Partnerships

C.2.1 No One Left Behind⁸⁹

No One Left Behind is a collective approach to delivering an employability system which is flexible, people-centred, and responsive.

In 2018, the Scottish and Local Government agreed on a collaborative partnership for employability. This was followed by the publication of an Employability Action Plan setting out the framework to deliver 'No One Left Behind'.

The principles which underpin the No One Left Behind approach:

- Dignity and respect, fairness and equality and continuous improvement
- Provides flexible, and person-centred support
- Is straightforward for people to navigate
- Integrated and aligned with other services
- Provides pathways into sustainable and fair work
- Driven by evidence including data and experience of others
- Support more people to move into the right job, at the right time

⁸⁹ Employability in Scotland (2022). No One Left Behind. Available at: [No One Left Behind - Policy | Employability in Scotland](#)

Progress has been made through the Disability Employment Action Plan⁹⁰, Shared Measurement Framework⁹¹, the Scottish Approach to Service Design⁹² and Fair Start Scotland extension⁹³.

C.2.2 Fair Start Scotland⁹⁴

Fair Start Scotland, our national employment support service, launched in April 2018 and has been supporting people with significant barriers towards and into sustainable work.

The service is entirely voluntary and offers personalised, one to one support, tailored to individual circumstances. Pre-employment support can last up to 18 months depending on the specific needs of the individual and up to 12 months in-work support is also available to participants and employers to ensure people remain supported during employment.

The service has supported over 51,000 starts since launch in April 2018 and there have been over 17,500 job starts with high rates of sustained employment for those who started work. 63% of people receiving support on Fair Start Scotland reported a long-term health condition and 45% were disabled.

C.3 Other factors

Individuals and businesses face ever-changing burdens dependent on the cumulative impacts of socioeconomic crises. Those relevant to today's populations include Covid, EU Exit and the cost-of-living crisis.

C.3.1 Covid

Covid-19 has an impact on Scotland's health, economy and society and progress towards Scotland's National Outcomes from the NPF.⁹⁵ Emerging and exacerbated labour market inequalities are likely to generate poverty and human right impacts relevant to the Fair Work and Business outcome.

Structural changes in the labour market disproportionately impact protected characteristic groups. For example, young people are increasingly faced with early unemployment, while older unemployed adults are experiencing more long-term unemployment and are less likely to participate in upskilling.

The Covid Recovery Strategy (2021) further recognises the disproportionate impacts of the pandemic on the following populations:

⁹⁰ Scottish Government (2018). A Fairer Scotland for Disabled People: employment action plan. Available at: [A Fairer Scotland for Disabled People: employment action plan - gov.scot \(www.gov.scot\)](http://www.gov.scot/publications/employment-action-plan-2018-2020/pages/1-1-introduction.aspx)

⁹¹ Scottish Government (2022). Employability Shared Measurement Framework. Available at: [Publications | Employability in Scotland](http://www.gov.scot/publications/employability-in-scotland/pages/1-1-introduction.aspx)

⁹² Establishment of a lived experience panel to facilitate the gathering of user views and influence future service delivery - October 2020

⁹³ Scottish Government (2018). Fair Start Scotland. Available at: [Fair Start Scotland - gov.scot \(www.gov.scot\)](http://www.gov.scot/publications/fair-start-scotland/pages/1-1-introduction.aspx)

⁹⁴ Fair Start Scotland (2023). Employability in Scotland. Available at: [Fair Start Scotland | Employability in Scotland](http://www.gov.scot/publications/employability-in-scotland/pages/1-1-introduction.aspx)

⁹⁵ Scottish Government (2020). Scotland's Wellbeing: The Impact of Covid-19. Available at: [Scotland's Wellbeing: The Impact of COVID-19 | National Performance Framework](http://www.gov.scot/publications/scotland-wellbeing-the-impact-of-covid-19/pages/1-1-introduction.aspx)

- Lower income households have been less able to save and have accumulated more debt;
- Young people are more likely to have been furloughed or lost their job;
- Women, disabled people, and minority ethnic groups have faced persistent employment and pay gaps;
- Young people and low-income earners employed in customer facing businesses (such as retail, hospitality, tourism, and the culture sector) have suffered through the longest Covid restriction; and
- Lower income households faced challenges in home schooling through the financial impact of remote learning, especially in accessing digital technology.

C.3.2 EU Exit

Consideration must be given to EU Exit undermining trading and collaborative relationship, which Scottish society and businesses have traditionally relied on as efforts are made to rebuild, restore, and identify new markets and potential trade relationships.

C.3.3 Cost-of-living crisis

The recent cost of living crisis, driven by a surge in inflation, has generated social, economic, and environmental vulnerabilities across Scottish households.

The Scottish Government published an analytical report of emerging evidence on the cost of living crisis, including public attitudes towards rising inflation and costs and households most affected.⁹⁶

The Open Society Foundations poll of 21,000 people recorded that 70% of British respondents named inflation and cost of living as one of the top-three challenging currently facing their family, community and country. Further, online polling by Ipsos MORI revealed that 54% of British respondents expected their disposable income to decrease over the next year.

While all households in Scotland will be affected by the increased cost of living, Scottish Government identify that disproportionate impacts are likely across low income households. These households are likely to be entering the crisis in a position of financial vulnerability and have restricted flexibility in their household's budget to cope with price rises. Low income households also include overrepresentations of the following groups: disabled people, lone parents, racialised minority households, child poverty priority groups, renters, young adults, unemployed adults and people with complex needs.

Further, the Joseph Rowntree Foundation published its annual 'Poverty in Scotland' report reflecting the results of a poll of 4,196 adults in Scotland undertaken between July and August 2022.

⁹⁶ Scottish Government (2022). The Cost of Living Crisis in Scotland: analytical report. Available at: [Supporting documents - The Cost of Living Crisis in Scotland: analytical report - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents-the-cost-of-living-crisis-in-scotland-analytical-report-gov.scot)

The report revealed that low-income households, single parents, and households with one or more disabled people are at a higher risk during the cost-of-living crisis.

Feelings of financial insecurity, food insecurity, social isolation and worsening mental health are evidenced through the following results:

- One-third of households have less than £250 in savings.
- Almost half (47%) of households have at least one debt.
- 65% of households have already cut back on an essential item.
- Three in four households have cut back on the basics.
- 18% of low-income households have skipped meals or reduced meal sizes and not heated their homes.

Household's increased chances of suffering acutely from the current inflation crisis heightens vulnerabilities to changing legislation, in both positive and negative capacities. Consequently, the potential exacerbation of impacts attributed to the cost-of-living crisis will be considered when assessing the impacts of Fair Work policies.

Appendix D Evidence and key issues

D.1 Population change

The latest estimate of the Scottish population is 5,479,900.⁹⁷ The population has grown 0.25% since mid-2020, which is 0.17 percentage points lower than the average annual growth from mid-2014 to mid-2019⁹⁸.

Contrary to previous years, population growth was recorded in many rural council areas while the population in the largest cities fell. For some rural regions, this year reversed a trend of population decline, such as Aberdeenshire and Argyll and Bute. While for other rural areas such as Highland and Perth and Kinross, which had seen steady growth or small decreases in recent years, the rate of growth increased⁹⁹.

D.2 Labour market statistics

D.2.1 Employment and unemployment

The employment rate in Scotland has fluctuated since 2004. As shown in figure D-1, a steep decline in employment was experienced between 2008-2012 in line with the recession of 2008/09, before rising again to its peak of 74.8% in 2019. The employment rate then decreased to 73.2% in 2021¹⁰⁰

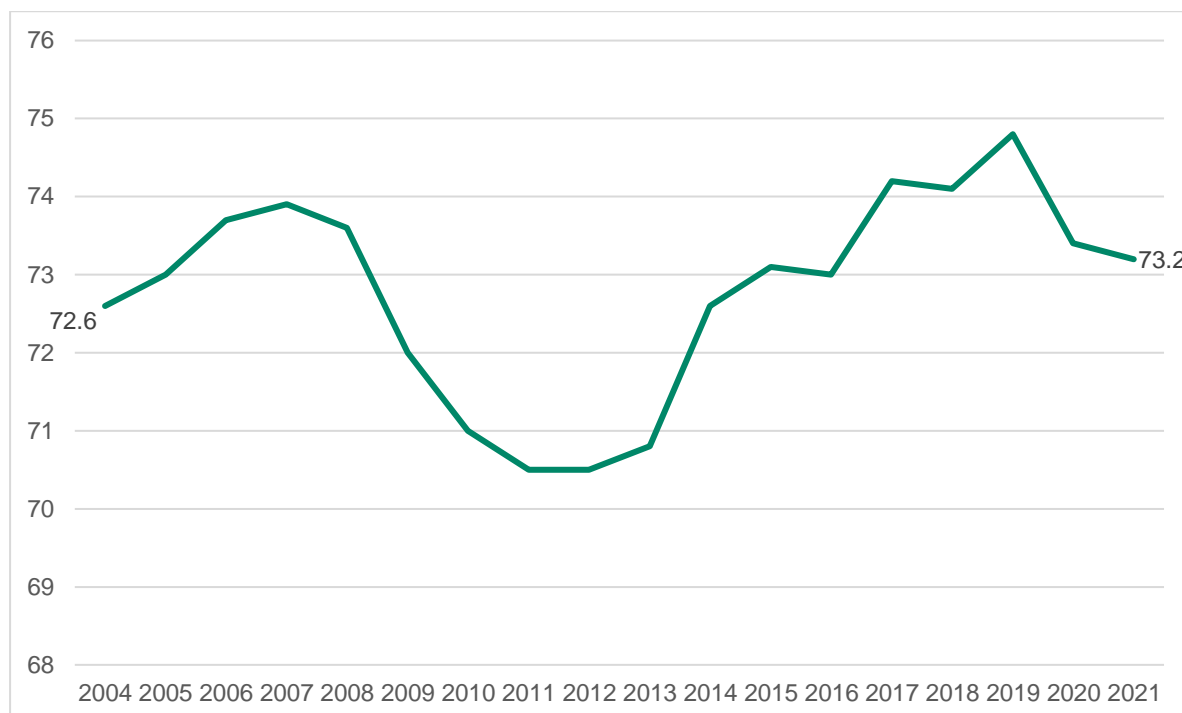
⁹⁷ National Records of Scotland (2022). Mid-2021 Population Estimates. Available at: [Mid 2021 Population Estimates, Scotland, Report \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/population-estimates-time-series-data)

⁹⁸ National Records of Scotland. Population Estimates Time Series Data. [https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/population-estimates-time-series-data]

⁹⁹ National Records of Scotland (2022). Mid-2021 Population Estimates, Scotland. [https://www.nrscotland.gov.uk/files/statistics/population-estimates/mid-21/mid-year-pop-est-21-report.pdf]

¹⁰⁰ Scottish Government (2022). Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021. Available at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot)

Figure D-1 Employment rate in Scotland, 2004-2021



Source: Annual Population Survey, January to December data, ONS

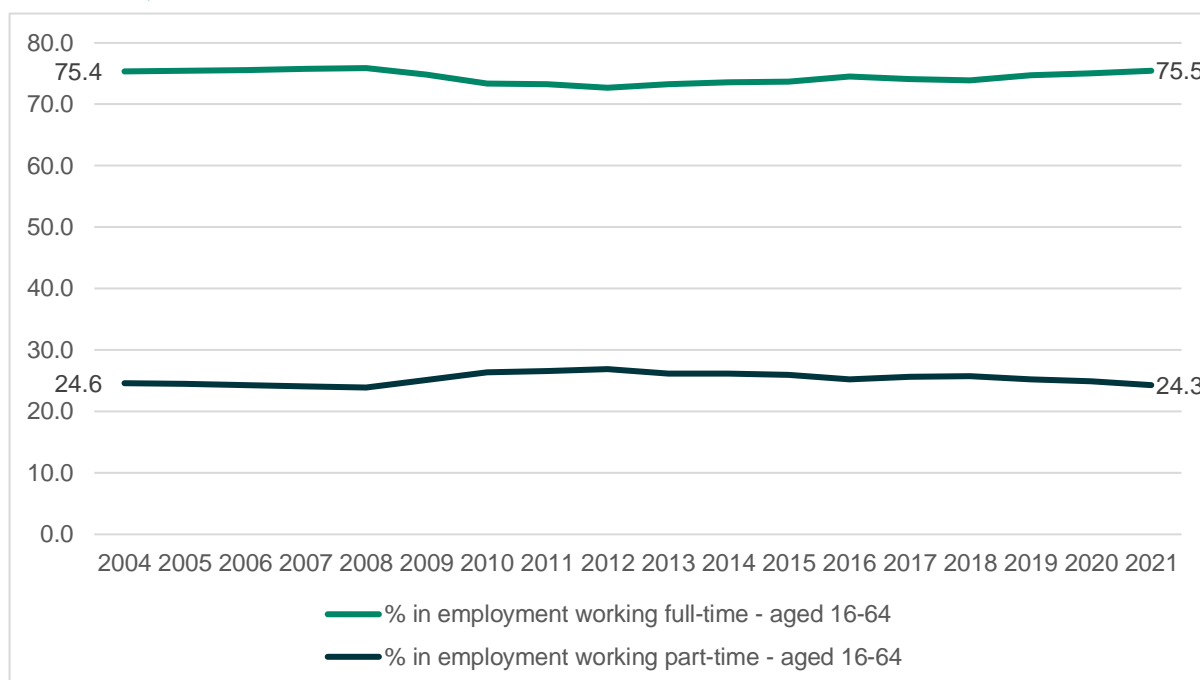
The Business Register and Employment Survey Data identifies the number of jobs by industry sector across Scotland. In 2021, 15.3% worked in the health sector, whilst 10.0% worked in retail, and 8.3% worked in education.¹⁰¹ Contrastingly, the sectors with the lowest levels of employment were property (employing 1.5% of the working population), motor trades (1.7%) and mining, quarrying, and utilities (2.4%).

Figure D-2 reveals that the Full-time and Part-time employment rates for those aged 16-64 have remained relatively stable over time. However, the Part-time employment rate consistently sits lower than the Full-time employment rate, fluctuating between 24.6% in 2004 and 24.3% in 2021 compared to 75.4% and 75.5% respectively.¹⁰²

¹⁰¹ Office for National Statistics (2022). Region by broad industry group (Standard Industrial Classification) – Business Register and Employment Survey (BRES): Table 4. Available at: [Region by broad industry group \(Standard Industrial Classification\) – Business Register and Employment Survey \(BRES\): Table 4 - Office for National Statistics \(ons.gov.uk\)](#)

¹⁰² Scottish Government (2020). Annual Population Survey: Full-Time and Part-Time Employment. Available at: [Nomis - Official Census and Labour Market Statistics - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](#)

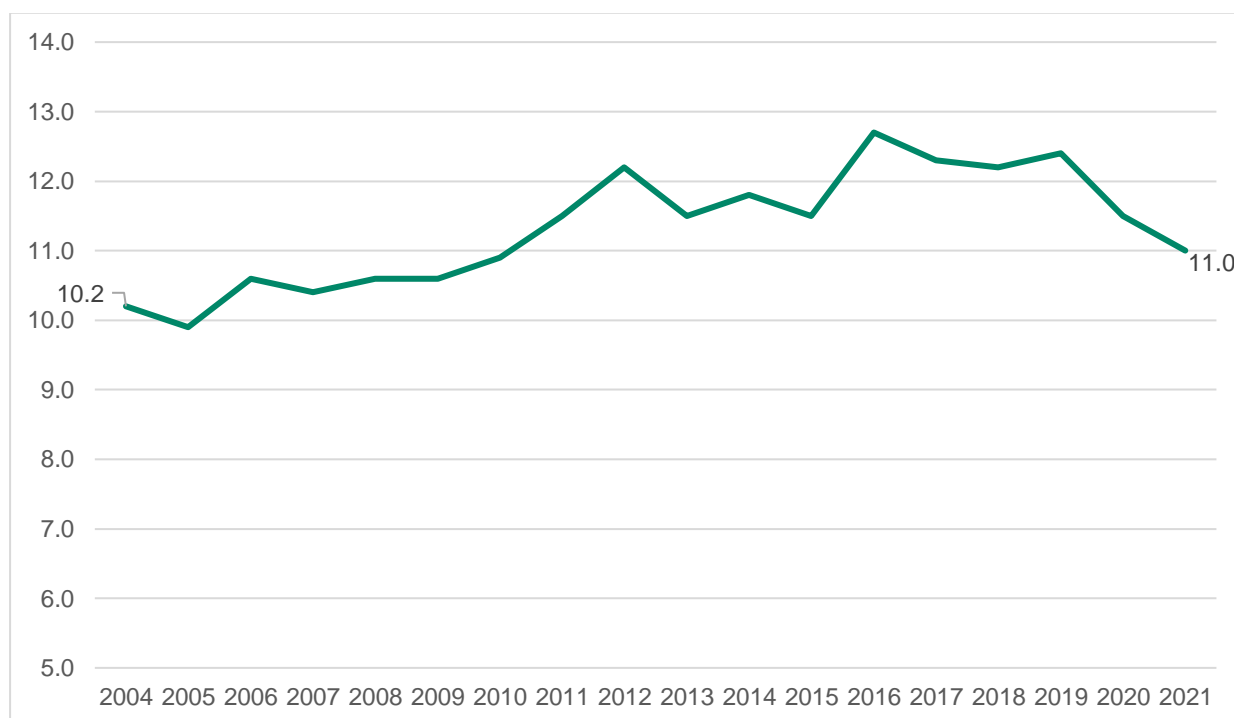
Figure D-2 Employment rates split by full time and part time employment in Scotland, 2004-2021



Source: Annual Population Survey, January to December data, ONS

The self-employment rate fluctuated between 2004 and 2021, reaching a peak in of 12.7% in 2016. In 2021, the self-employment rate was recorded at 11.0%.¹⁰³

Figure D-3 Self-employment rate in Scotland, 2014-2020

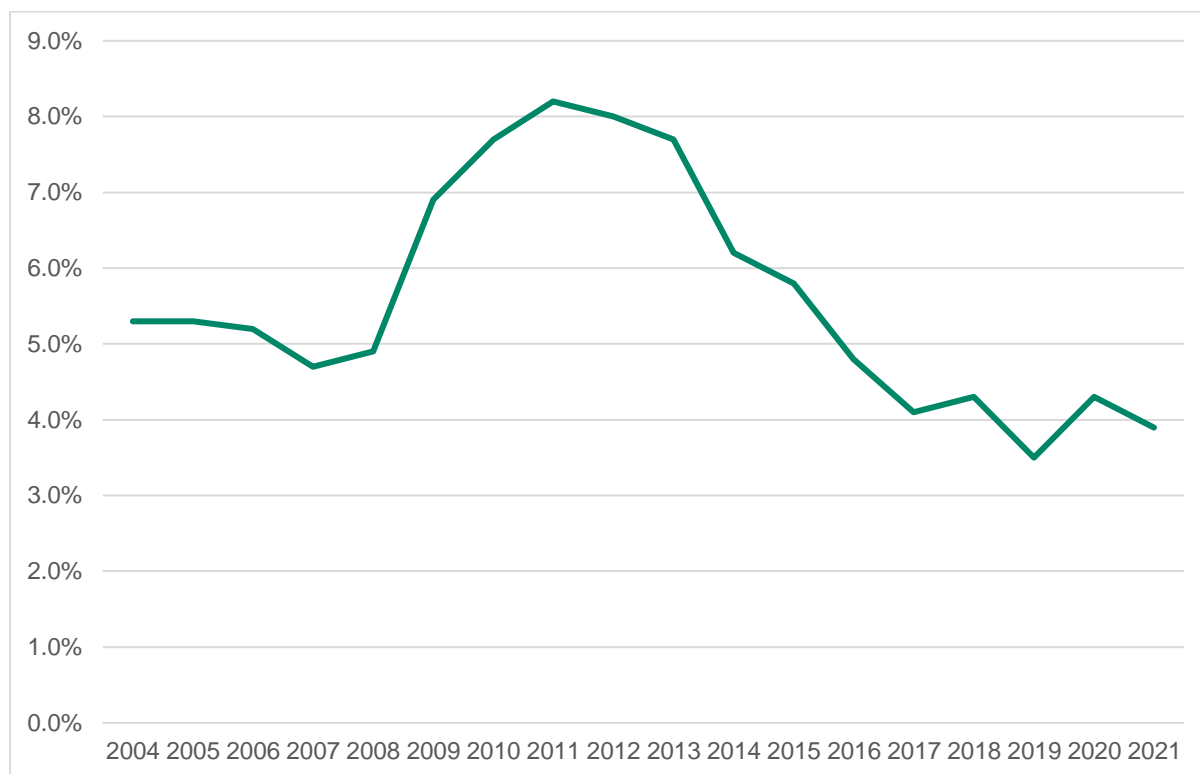


Source: Annual Population Survey, January to December data, ONS

¹⁰³ Scottish Government (2020). Annual Population Survey: Self-employment. Available at: [Nomis - Official Census and Labour Market Statistics - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/)

Unemployment rate figures have fluctuated between 2004 and 2021. In 2008, the unemployment rate began to rise to a peak of 8.2% in 2011 before decreasing steadily until 2017. Between 2017-2021, the rate fluctuated annually reaching 3.9% in 2021.¹⁰⁴

Figure D-4 Unemployment rate in Scotland, 2004-2021



Source: Annual Population Survey, January to December data, ONS

D.2.2 Real Living Wage

The Real Living Wage is an hourly rate of pay established by the Living Wage Foundation which employers can voluntarily commit to. It is £10.90 across the UK, and £11.95 in London for people aged 18 or over. Unlike the UK Government's minimum wage ('National Living Wage' for over 23s – £9.50), the real Living Wage is the only wage rate independently calculated based on living costs. It is a voluntary base rate for employers who wish to go beyond the government minimum to demonstrate that they value their lowest paid staff. Living Wage employers pay all their directly employed staff aged 18 and over – as well as in scope regular third-party contractors – at or above the real Living Wage.

At present, according to the Employer Directory in Scotland there are over 2,900 real Living Wage employers, with concentrations seen in large cities such as Edinburgh and Glasgow.¹⁰⁵

¹⁰⁴ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/1-to-100.aspx)

¹⁰⁵ Living Wage Scotland (2022). Employer Directory. Available at: [Employer Directory - Living Wage Scotland \(scottishlivingwage.org\)](https://www.scottishlivingwage.org/employer-directory)

Social Enterprise Scotland has demonstrated the potential outcomes of paying the real Living Wage:¹⁰⁶

- Over 59,000 workers currently employed by over 2,900 Living Wage employers in Scotland will receive a welcome pay boost because of the new rate; and
- As a result of rate increase, a full-time worker on the real Living Wage will earn £1,950 a year more than their current pay.

Further research from the Smith Institute reports a potential relationship between paying the real Living Wage and increased productivity and motivation in the workplace. Increased wages are also likely to have a positive impact on health and well-being through enabling workers to meet every day needs and increase resilience against financial crises. Therefore, these impacts could be acutely felt across low paid sectors and low income households.¹⁰⁷

Figure D-5 below reveals the percentage of employees (18+) earning at least the real Living Wage in Scotland between 2012 and 2022, across all employees, public sector employees, private sector employees and employees within not for profit or mutual organisations.¹⁰⁸

Records for all employees (18+) reveal that 81.2% were paid at least the real Living Wage in 2012, which increased 2.0 percentage points to 83.2% by 2019. In 2022, the percentage of employees who were paid the real Living Wage stood at 91.0%.¹⁰⁹

In 2012, 96.5% of public sector employees were paid at least the real Living Wage and increased 0.4 percentage points to 96.9% by 2019. An increase was also recorded for private sector employees, from 71.7% to 75.4% in 2019. While data for not for profit organisations is only available for 2015-2022 and records an increase from 85.2% in 2015 to 85.4% in 2019.¹¹⁰

¹⁰⁶ Social Enterprise Scotland (2022). The real Living Wage rate rise – Key facts. Available at: [The real Living Wage rate rise - Key facts - Social Enterprise Scotland](#)

¹⁰⁷ The Smith Institute (2021). The Living Wage Dividend: maximising the local economic benefits of paying a living wage. Available at: [The Living Wage Dividend: maximising the local economic benefits of paying a living wage \(smith-institute.org.uk\)](#)

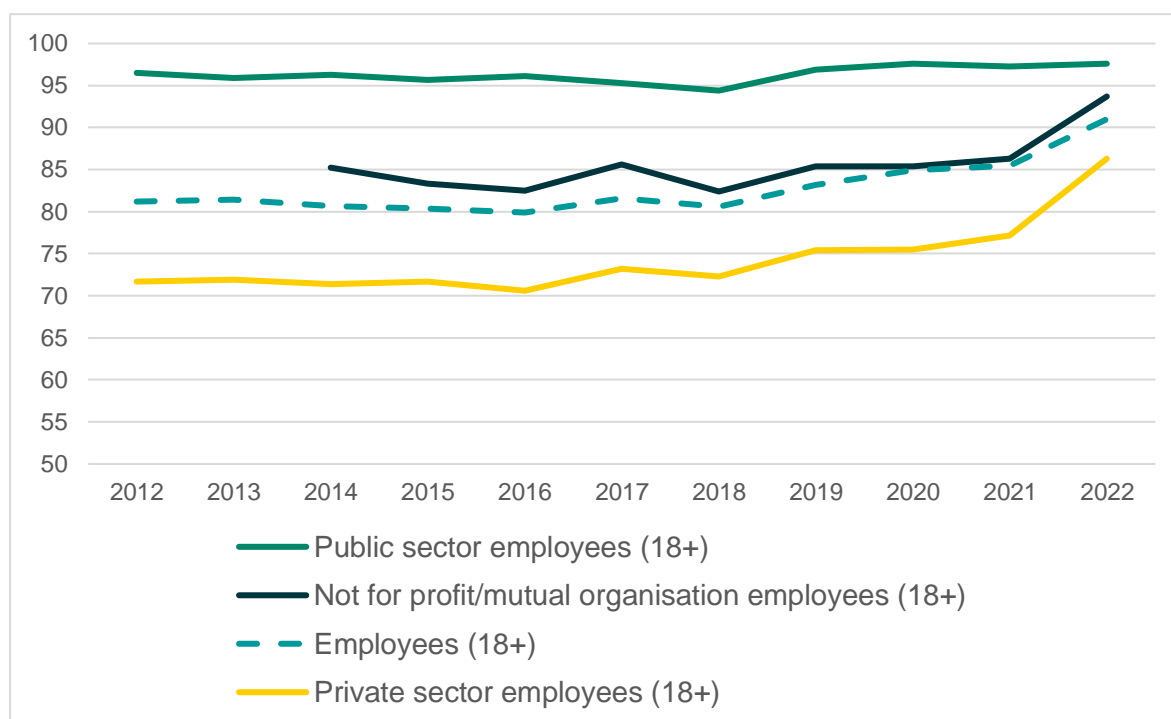
¹⁰⁸ The Standard Occupational Classification (SOC) is a common classification of occupational information for the UK. The most recent version of SOC, SOC 2020, was used for 2021 and 2022 ASHE estimates. This means earnings estimates for 2021 based on SOC 2020 represent a break in the ASHE time series. Therefore, estimates pre- and post-2021 are not directly comparable.

Scottish Government (2022). Annual Survey of hours and earnings 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](#)

¹⁰⁹ Scottish Government (2022). Annual Survey of hours and earnings 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](#)

¹¹⁰ Scottish Government (2022). Annual Survey of hours and earnings 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](#)

Figure D-5 Percentage of employees earning at least the real Living Wage in Scotland, 2012-2022.



Source: Scottish Government, *Annual Survey of Hours and Earnings (2022)*

D.2.3 Zero Hours Contracts

A zero-hour contract exists when an employer is not obliged to provide employees with a minimum number of working hours.

Inappropriate use of these contracts can develop distrust, feels of insecurity, poor working environments and limited legal protection in employment which has been linked to generating poor mental health.¹¹¹ Workers require regular work to secure a consistent income stream to fund financial commitments. This ultimately reduces stress surrounding monies and increases focus on productivity.

Thereby, the benefits of excluding the use of zero hours contracts include:

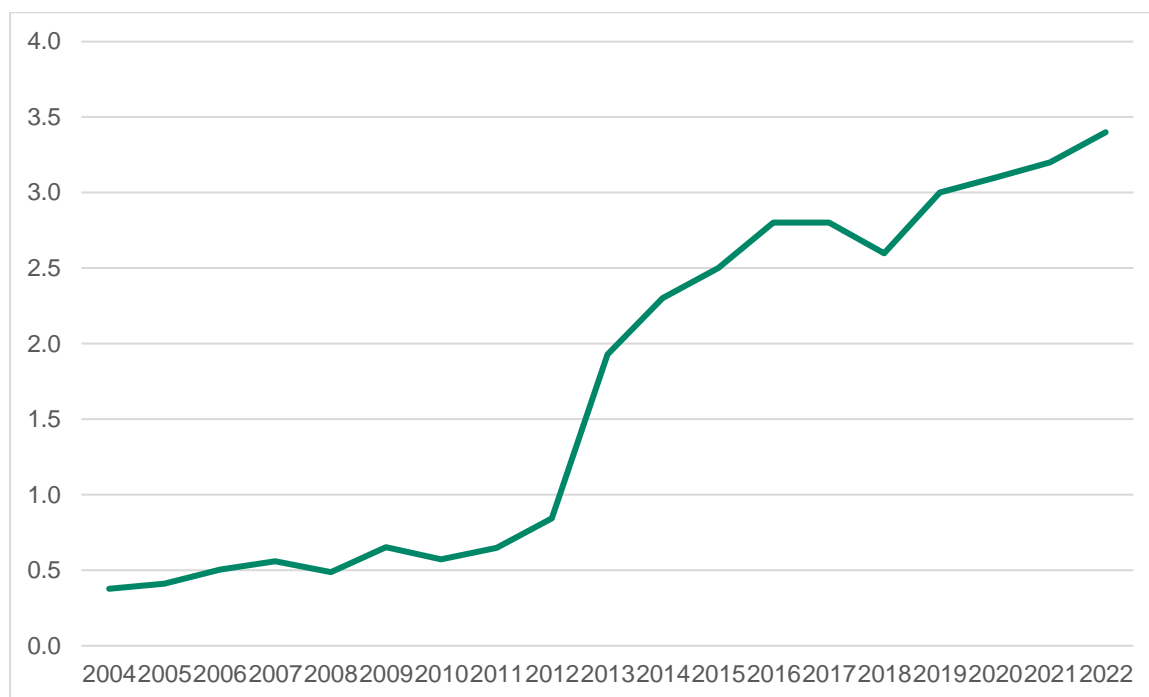
- Lower staff turnover and recruitment expenses;
- Lower rates of staff absenteeism because of reduced stress levels;
- Increased productivity; and
- Improved employer reputation.

No inappropriate use of zero hours contracts is included in the Scottish Business Pledge and is a criterion of Fair Work First.

¹¹¹ Thomas Keely (2021). Zeroed Down: The Effects of Zero Hours Contracts on Mental Health and The Mechanisms Behind Them. Available at: [Zeroed Down: The Effects of Zero Hours Contracts on Mental Health and The Mechanisms Behind Them — The University of Aberdeen Research Portal \(elsevier.com\)](https://www.abdn.ac.uk/research-portal/zeroed-down-the-effects-of-zero-hours-contracts-on-mental-health-and-the-mechanisms-behind-them/)

Figure D-6 illustrates the percentage of people in Scotland employed on zero-hour contracts from Oct-Dec 2004 to Oct-Dec 2022.¹¹² In Oct-Dec 2020, 3.1% of people were employed on a zero-hours contract, which increased to 3.2% by 2021. By 2022, this figure had increased again to 3.4%.¹¹³

Figure D-6 Percentage of people in Scotland employed on a zero-hour contract, 2000-2022.



Source: Labour Force Survey, April to June data, ONS

D.2.4 Scottish Government workforce

The Scottish Government (SG) calculate annual diversity and inclusion estimates for its workforce. The latest data on core staff and experiences of different protected characteristic groups reveals that in 2021:

- The age groups 16-29 and 60+ were underrepresented in the SG workforce compared to Scotland's working age (16-65) population, while 16–29-year-olds are overrepresented in the application stage;¹¹⁴
- Women are overrepresented within the government's workforce compared to national ratios and on average were paid less than men;
- Women were also more likely to have received a promotion between 2020-2021 and be given an 'exceptional' or 'highly effective' performance rating than men;

¹¹² There was a break in the series between Oct-Dec 2019 and Jan-March 2020 due to a change in methodology. Therefore, while the long-term trend can be observed, specific comparisons are only drawn between dates post-break, from 2020 onwards.

ONS (2023). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/employment-and-labour/people-in-employment-and-unemployment/employment-on-zero-hours-contracts)

¹¹³ ONS (2023). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/employment-and-labour/people-in-employment-and-unemployment/employment-on-zero-hours-contracts)

¹¹⁴ Scottish Government (2022). Diversity and inclusion of the Scottish Government workforce – 2021. Available at: [Diversity and inclusion of the Scottish Government workforce - 2021 \(data.gov.scot\)](https://data.gov.scot/dataset/diversity-and-inclusion-of-the-scottish-government-workforce-2021)

- Transgender staff in SG felt less included, treated less fairly and experienced higher levels of discrimination than cisgender staff members;
- Disabled people were underrepresented across SG core staff members compared to the national average, and were more likely to be given lower performance rating and were paid less than non-disabled staff members;
- Ethnic minority¹¹⁵ staff members are underrepresented in the government workforce despite being overrepresented in the application stage;
- Ethnic minority employees are also more likely to receive lower performance ratings and earn less than their white counterparts;
- Christian staff compose a lower percentage of applicants and joiners, while non-religious staff were more likely to have received a promotion between 2020-2021;
- LGB+ groups are overrepresented across the government workforce compared to the national average, however, have the same performance breakdown as heterosexual staff; and
- Staff members from a high or intermediate background felt more engaged and included than their counterparts, while those whose parents never worked reported more experiences of discrimination.

D.3 Protected Characteristic Groups

D.3.1 Age

This section considers children (0-16 years), younger people (aged 16-24 years old), working-age population (16-64 years) and older people (65+ years old).

Scotland has an ageing population. During the ten years to mid-2021, the number of people aged 65+ increased by an average of 1.82% per year (in comparison, the population as a whole increased by an average of 0.33% per year)¹¹⁶. The elderly population of Scotland is expected to grow further. By mid-2043, 22.7% of the population are projected to be of pensionable age (taking account of planned changes to the State Pension Age), compared to 18.3% in mid-2020. Similarly, the number of people aged 90 and over is projected to increase by 87% between 2020 and 2043.¹¹⁷

Mid-2021 population estimates show that 17% of the population are under the age of 16, 64% of the population are aged 16-64, and 20% of the population are aged 65 or over (rounded to the nearest percentage).¹¹⁸

¹¹⁵ While the term racialised minorities has been adopted in keeping with the positive of the ARES, for labour market analysis the term minority ethnic is used to reflect the categorisation of data in statistical analysis.

¹¹⁶ National Records of Scotland. Population Estimates Time Series Data. Available at: [Population Estimates Time Series Data | National Records of Scotland \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/population-estimates-time-series-data)

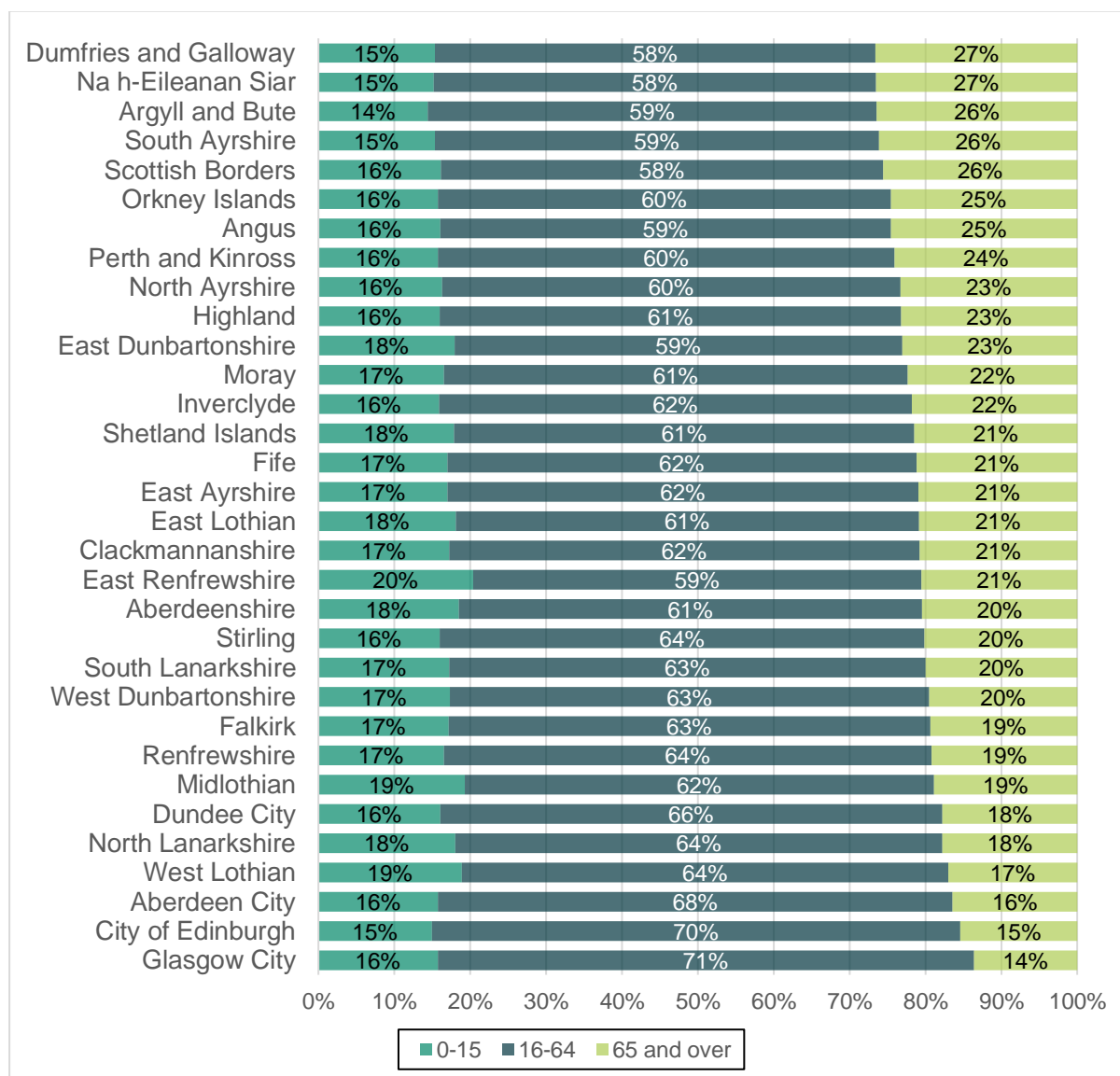
¹¹⁷ Office for National Statistics. 2020-based interim national population projections: year ending June 2022 estimated international migration variant . Available at: [2020-based interim national population projections: year ending June 2022 estimated international migration variant - Office for National Statistics](https://www.ons.gov.uk/population-projections/2020-based-interim-national-population-projections-year-ending-june-2022-estimated-international-migration-variant)

¹¹⁸ National Records of Scotland (2022). Mid-2021 Population Estimates. Available at: [Mid 2021 Population Estimates, Scotland, Report \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/mid-2021-population-estimates)

In the two decades to mid-2021, the largest population growth was in the 65+ age group (+33%), compared to 16–64 year-olds (+6%) and children (-6%)¹¹⁹.

Intra-regional age profiles identified the highest proportions of people aged 16-24 in the largest cities; areas neighbouring cities had the highest proportions of children; and rural and island areas have a higher representation of older people. All Scottish council areas experienced an increase in the older population, while the largest decrease in children and population aged 16-64 were rural and island communities. Figure D-7 shows the age breakdown of each Scottish council area for 2021.

Figure D-7 Age structure of council areas, mid-2021 estimates



Source: NRS (2022) Mid-2021 population estimates. Figures are rounded so may not add up to 100%. Ordered by percentage aged 65+.

The age profile of Scotland is pertinent to addressing ageism in the labour market. As the workplace needs evolve, the rights of all workers to enter, continue and progress in the labour market should be protected.

¹¹⁹ National Records of Scotland. Population Estimates Time Series Data. Available at: [Population Estimates Time Series Data | National Records of Scotland \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/population-estimates-time-series-data)

D.3.2 Older people

The employment rate for 50- to 64-year-olds has decreased since Jan-Dec 2019 from 70.5% to 68.1% in Jan-Dec 2021.¹²⁰

Employment in zero hours contracts for those aged 50-64 across the UK fluctuated between 2.3% in April-Jun 2020 and 2.1% in April-Jun 2022. While those aged 65+ had a higher rate of zero-hour contract employment in 2022 at 4.5%.¹²¹

A study of older people and employment in Scotland¹²² identified that older people rely on employment for financial security, stable mental health, and career progression:

- Older people identified work as beneficial for mental health through providing social contact and physical activity;
- Respondents in lower-income employment were more likely to consider financial circumstances in their retirement plans. They were concerned about securing sufficient financial resources for a healthy standard of living without regular income from employment;
- The sample group revealed a desire to reduce working hours in the years leading up to retirement, despite the current lack of flexible working provisions in the labour market;
- Respondents in the over 50's age group recorded an interest in career development and training.

This evidence identifies barriers of ageism, undervalued skills and job insecurity experienced by older employees. Many respondents felt that they would experience discrimination when seeking new employment if they left their current job.

Further concerns of being made redundant prior to retirement age were expressed, predominantly amongst female respondents in third sector employment. Female participants also identified care responsibilities as having a knock-on effect in later-life employment. While low-income women over 50 who were single or divorced were more likely to experience cumulative negative effects of insecure labour markets, caring responsibilities, and health problems.

¹²⁰ Scottish Government (2021). Scotland's Labour Market: People, Places and Regions – Protected Characteristics Statistics from the Annual Population Survey 2021. Accessible at: [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/12.aspx)

¹²¹ Office for National Statistics (2022). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/people-in-work/employment-and-unemployment/employment-on-zero-hours-contracts)

¹²² Scottish Government (2017). Older People and Employment in Scotland. Accessible at: [Older People and Employment in Scotland \(www.gov.scot\)](https://www.gov.scot/publications/older-people-and-employment-in-scotland/pages/1.aspx)

Key issues:

- Scotland has an ageing population.
- Older people are at risk to the systemic barrier of ageism which undervalues the skills and contributions of older employees.
- Older people disproportionately experience job insecurity, redundancy, and undervalued skills in the labour market.

D.3.3 Young people

The estimated employment rate for young people (aged 16-24) in Scotland was 54.0% in Jan-Dec 2021. While this is an increase from 2020, the employment rate is still lower than the rate recorded before the Covid-19 pandemic.¹²³ The pandemic disproportionately affected the employment of young people with people aged 16-24, experiencing a significant rise in unemployment and higher rates of furlough than all other age groups.¹²⁴ Further, across the UK, the percentage of young people (16 to 24 year olds) employed on zero-hour contracts has increased from 9.9% in Oct-Dec 2021 to 11.6% in Oct-Dec 2022¹²⁵ and 18 to 24 year olds are less likely to be paid the real Living Wage.¹²⁶

This reflects the overrepresentation of young people in sectors most affected by the pandemic, such as accommodation and food. This trend reflects the experiences of previous recession periods, demonstrating the precarious position of young people in the labour market.

There are also gendered trends for young people in employment. The estimated employment rate for young men in 2021 was lower than women at 52.8% compared to 55.2% respectively.¹²⁷

¹²³ Scottish Government (2022). Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021. Available at: [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](#)

¹²⁴ Scottish Government (2020). Scotland's Wellbeing: The Impact of Covid-19. Available at: [Scotland's Wellbeing: The Impact of COVID-19 | National Performance Framework](#)

¹²⁵ Office for National Statistics (2022). EMP17: People in employment on zero hours contracts. Available at: [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](#)

¹²⁶ Scottish Government (2022). Annual Survey of hours and earnings 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](#)

¹²⁷ Scottish Government (2022). Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021. Available at: [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](#)

Key issues:

- Young people disproportionately experienced economic impacts as a result of the Covid-19 pandemic.
- Young people are overrepresented within precarious positions in the labour market, including zero hour contracts and low paid jobs.
- Young women have a higher employment rate than young men.

D.3.4 Disability

The 2021 Scottish Health Survey reported that 47% of adults live with a long-term health condition, 34% of which were limiting.¹²⁸ The incidence of both limiting and non-limiting conditions increases with age, from 18% amongst 16–24-year-olds to 60% among years 75+.

Disabled people experience the largest employment gap in the labour market. Despite the disability employment gap reducing from 37.4% in Jan-Dec 2016 to 31.2% in Jan-Dec 2021, the employment rate for disabled people is still 31.2 percentage points lower than for non-disabled people (49.6% and 80.8% respectively).¹²⁹

As shown in Figure D-8 below, the disability employment gap increases with age, from 21.2% for 16–24-year-olds to 36.3% for 35–49-year-olds, before decreasing to 33.2% for 50-64-year-olds. The employment gap amongst men is higher than women across all age groups, especially those aged 35-to-49-years-old at 41.8%.¹³⁰

¹²⁸ Scottish Government (2021). Scottish Health Survey – telephone survey. Available at: [The Scottish Health Survey 2021 - Volume 1: Main Report \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/collections/documents/SHS2021-main-report.pdf)

¹²⁹ Scottish Government (2022). Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021. Available at: [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/collections/documents/Supporting_documents_-_Scotland's_Labour_Market_People_Places_and_Regions_-_Protected_Characteristics_Statistics_from_the_Annual_Population_Survey_2021_-_gov.scot.pdf)

¹³⁰ Scottish Government (2022). Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021. Available at: [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/collections/documents/Supporting_documents_-_Scotland's_Labour_Market_People_Places_and_Regions_-_Protected_Characteristics_Statistics_from_the_Annual_Population_Survey_2021_-_gov.scot.pdf)

disabled people enter higher education or obtain a university degree and are more likely to have low or no qualifications at Scottish Credit and Qualification Framework (SCQF) level 4 than non-disabled people.¹³⁵

Disabled people are more likely to experience long-term social and employability impacts from Covid-19 than non-disabled equivalents. Disabled adults were more likely to report that their well-being is affected by Covid-19 than non-disabled adults from March 2020-December 2021, including low life satisfaction, low levels of happiness, high levels of anxiety and low levels of feeling worthwhile.¹³⁶ Disabled adults were also more likely to feel lonely often, always, or some of the time.

The economic impacts of Covid-19 were more likely to affect disabled people who were more likely to work in sectors affected by Covid-19 and experience financial insecurity following the pandemic. Further, disability is identified as one of the most significant factors influencing a person's return to work after being unemployed, especially following the Covid-19 pandemic.¹³⁷

Key issues:

- Disabled people experience the largest employment gap in the labour market.
- Disablism may generate structural barriers to accessing the labour market for disabled people.
- Young disabled people undergoing transitions from school are particularly at risk to unemployment.
- Disability is one of the most significant factors affecting chances of return to work, especially in the recovery from Covid-19.

D.3.5 Gender Reassignment

There are no official statistics relating to gender reassignment in Scotland as the Census has previously only collected data relating to sex at birth. However, in the 2022 Census, people will be able to self-identify as male or female, allowing transgender people to answer a different sex to that on their birth certificate without the need for a Gender Recognition Certificate. A voluntary question about trans status or history will also be included for those aged 16 or over. This will provide an option to identify as non-binary.

Transgender identity is one of the five groups or protected characteristics covered by the hate crime legislation. Nearly half of transgender persons in Scotland experienced a transphobic hate crime or incident in the years before 2017, according

¹³⁵ Scottish Government (2019). Scotland's Wellbeing: national outcomes for disabled people. Available at: [Scotland's Wellbeing - Measuring the National Outcomes for Disabled People \(www.gov.scot\)](https://www.gov.scot)

¹³⁶ Office for National Statistics (2022). Coronavirus and the social impacts on disabled people in Great Britain. Accessible at: [Coronavirus and the social impacts on disabled people in Great Britain - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

¹³⁷ Office for National Statistics (2021). Which groups find it hardest to find a job following a period out of work? Accessible at: [Which groups find it hardest to find a job following a period out of work? - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

to estimates.¹³⁸ However, the total number of charges for hate crimes against transgender people comprises only 0.8% of all hate crimes. For many transgender people, concerns about discrimination and harassment are part of their day to day lives.

Key issues:

- Limited information and data are available on the transgender population including the lived experiences with this group.
- Transgender or gender non-conforming people may have concerns about accessing employment for fear of being harassed or discriminated against.

D.3.6 Pregnancy and maternity

The number of births registered over recent years has fluctuated, from their lowest point in 2002 (51,270) since records began in 1855, to a high in 2008 (60,041).¹³⁹ Since 2008, the number of births has decreased year on year to 47,249 live births in 2021/22.¹⁴⁰

Public Health Scotland's national birth statistics for 2021/22 revealed that an increasing percentage of women conceive their first child at an older age. In 2021/22, 16% of women aged 35 and over were experiencing their first birth, compared to 13% in 2011/12.¹⁴¹

In 2020, the teenage pregnancy rate reached its lowest level since reporting began at 23.9 per 1,000 women.¹⁴² While a reduction in teenage maternity was largest across the most deprived areas, these regions still experienced a rate five times higher than the least deprived areas (44.9 and 9.0 per 1,000 women respectively).

Women living in the most deprived areas continued to represent a higher proportion of births. In 2022, 24.3% of births were to women in the most deprived area, while only 16.9% of births were to women in the least deprived areas.¹⁴³

Public Health Scotland also highlight a relationship between deprivation and the health of pregnant women and new-borns. Women living in deprived areas were more likely to conceive at a younger age, be overweight and deliver low-birthweight babies compared to those from less deprived areas. This increases the risk of short and long-term health problems as a consequence of childbirth, which could extend

¹³⁸ Stonewall Scotland (2017). LGBT in Scotland: Hate Crime and Legislation. Available at: [Stonewall Scotland, Hate Crime - final.cdr](#)

¹³⁹ National Records for Scotland (2022). Monthly Data on Births and Deaths Registered in Scotland. Available at: [Monthly Data on Births and Deaths Registered in Scotland | National Records of Scotland \(nrscotland.gov.uk\)](#)

¹⁴⁰ Public Health Scotland (2022). Births in Scotland: Year ending 31 March 2022. Available at: [Births in Scotland - Year ending 31 March 2022 - Births in Scotland - Publications - Public Health Scotland](#)

¹⁴¹ Public Health Scotland (2022). Births in Scotland: Year ending 31 March 2022. Available at: [Births in Scotland - Year ending 31 March 2022 - Births in Scotland - Publications - Public Health Scotland](#)

¹⁴² Public Health Scotland (2022). Teenage Pregnancy: Year of conception ending 31 December 2022. Available at: [Teenage Pregnancy Report \(publichealthscotland.scot\)](#)

¹⁴³ Public Health Scotland (2022). Births in Scotland: Year ending 31 March 2022. Available at: [Births in Scotland - Year ending 31 March 2022 - Births in Scotland - Publications - Public Health Scotland](#)

maternity leave and ultimately exacerbate existing barriers to returning to work for those most at risk to poverty.

Further ethnicity data reveals that 77.8% of births were recorded as White, 8.3% as non-white racialised minorities and 13.9% from 'unknown' ethnicities. Across the ethnic groups, minority ethnic maternities were overrepresented in the most deprived areas. African maternities represented the highest proportion of pregnancies in the most deprived area at 48.6%, compared to 23.7% for white maternities.

Currently, eligible employees can take a maximum of 52 weeks maternity leave.¹⁴⁴ While Statutory Paternity Leave is either one or two consecutive weeks' leave which must finish within 56 days of the birth. Extra leave is available if a partner returns to work or an employer offers more.

Pregnant women may experience pregnancy and maternity discrimination when falling pregnant, experiencing illness related to pregnancy, exercising the right to maternity leave or returning from maternity leave. Employers may directly disadvantage pregnant employees or indirectly make working life particularly challenging. For example, employers may refuse to recruit, demote, dismiss, exclude from promotion, or refuse a pay rise to pregnant employees.

There is a lack of recent studies reporting on women's experiences of maternity discrimination; therefore, while the following research studies may not reflect the immediate situation, it is important to acknowledge the potential impacts of pregnancy on women in the labour market.

The Equality and Human Rights Commission (2015) interviewed 3,254 mothers and highlighted the following experiences:

- 50% of mothers experienced a negative impact on job security, status, or opportunity;
- 42% of mothers experienced health and welfare risks through being unable to work flexibly and being discouraged from attending midwife appointments during working hours;
- 20% of mothers reported a loss of finances through exclusion from promotions or reduced salary because of falling pregnant; and
- 11% of pregnant women felt forced to leave their job, including dismissal, redundancy, and discrimination.¹⁴⁵

Key issues:

- Pregnant women may experience discrimination during pregnancy and when returning from maternity leave, including job insecurity, exclusion from opportunities and dismissed working adjustments.

¹⁴⁴ Scottish Government (2022). Maternity, paternity, and parental leave: employer guide. Accessible at: <https://www.mygov.scot/maternity-paternity-parental-leave>

¹⁴⁵ The Equality and Human Rights Commission (2016). Pregnancy and Maternity – Related Discrimination and Disadvantage: Experiences of Mothers. Available at:

<https://www.equalityhumanrights.com/en/managing-pregnancy-and-maternity-workplace/pregnancy-and-maternity-discrimination-research-findings>

- Pregnant women living in the most deprived areas may experience greater barriers in the labour market because of higher health risks during and after pregnancy.
- Racialised minority women are overrepresented across pregnancies in the most deprived areas.

D.3.7 Race

The last census (2011) found that most of the population in Scotland was White, with approximately 60% of local authorities having a white population of more than 98%.¹⁴⁶ Only Glasgow City has a white population of less than 90%. “Asian, Asian Scottish or Asian British” was the second largest ethnic group in Scotland (2.7%), with the largest populations being in Glasgow (8.1%), City of Edinburgh (5.5%) and East Renfrewshire (5.0%). The smallest minority ethnic group in Scotland at the last Census was “Caribbean or Black”, which made up only 0.1% of the total population.

Race is one of the five groups of protected characteristics covered by the hate crime legislation and racial crime is the most reported hate crime with 3,249 charges reported in Scotland in 2017-18.¹⁴⁷ Racial discrimination, harassment, or abuse create day-to-day barriers for racialised minority groups who are more likely to be subject to hate crimes.

In the labour market, racialised minority groups experience disadvantage due to structural racism. This can generate poorer outcomes, including lower employment rates, over-representation within low paid sectors with few opportunities for career progression, higher risk of poverty and experiences of racism in the workplace.¹⁴⁸

Racial discrimination in the labour market can be reflected through the employment rate of the white population consistently exceeding that of racialised minority populations. In 2021, the employment gap for ethnic minorities was 11.7 p.p., and the unemployment rate was estimated at 6.5%¹⁴⁹ compared to 3.8% for their white counterparts¹⁵⁰.

The annual population survey (Jan-Dec 2021) breaks the employment gap down by age and gender. In 2021, the employment gap was largest amongst those aged 16 to 24 at 19.6 p.p.¹⁵¹, followed by ages 25-34 (18.9 p.p.) and 35 to 49 (17.9 p.p.). While those aged 50-64 experienced a higher employment rate amongst minority

¹⁴⁶ Scotland's Census 2011 - National Records of Scotland. Table KS201SC – Ethnic group; All people. [Available at: <https://www.scotlandscensus.gov.uk/search-the-census/#/>]. See also: “Scotland’s Census 2011. Metadata for Ethnic Group” [<https://www.scotlandscensus.gov.uk/metadata/ethnic-group/#panel-1>].

¹⁴⁷ Crown Office & Procurator Fiscal Service (2018). Hate Crime in Scotland, 2017-18. Available at: <https://www.copfs.gov.uk/media-site/media-releases/1765-hate-crime-in-scotland-2017-18>

¹⁴⁸ Coalition for Race Equality and Rights (2020). Ethnicity and Poverty in Scotland 2020. Available at: https://b0353f24-0d04-4fc5-9c7d-2716ba8ba44f.usrfiles.com/ugd/b0353f_0db6596cc9ee46ab9aa13b97699aae79.pdf

¹⁴⁹ Estimate is based on a small sample size. This may result in less precise estimates, which should be used with caution.

¹⁵⁰ Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/2021-12/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021)

¹⁵¹ Estimate is based on a small sample size. This may result in less precise estimates, which should be used with caution.

ethnic groups than the white population, generating an employment gap of -8.4 p.p.. All age groups have experienced a decrease in their employment gap since 2020.¹⁵²

In terms of gender, the ethnicity employment gap is wider for women than men. In 2021, the ethnic employment gap for women was estimated at 23.1 p.p. compared to only -1.5 p.p. for men. The employment gaps for women has increased since 2020 and the gap for men has reversed. In 2020, the gap for women was 15.8 p.p. and 2.8 p.p. for men.¹⁵³

Further evidence of racial discrimination in the labour market is the ethnicity pay gap. The Annual Population Survey published in 2022 reveals that the ethnicity pay gap was 10.3% in 2019.¹⁵⁴

Evidence from the Trade Union Congress demonstrates that regardless of educational attainment, racialised minorities experience a pay gap with white workers.¹⁵⁵ This pay gap is widest at degree level. The most recent statistics available (2016) reveal that black workers with degrees earn 23.1% less than white workers with degrees. While black workers with A-levels earn 14.3% less and those with GCSEs earn 11.4% less than their white peers. Therefore, at all levels of education ethnic minorities face systemic disadvantage in the labour market.

In terms of intersectionality, racialised minority women are more likely to be employed in part time and insecure roles and have been 'left behind' in pay gap progress both within and between ethnic groups.¹⁵⁶ For example, Black African women earn 24% less than white British men, while Indian women experience the largest pay gap with men in their ethnic group at 16.1%. Pakistani and Bangladeshi women experience the biggest gap with white males (26.2%), however there is a significantly smaller gap with men in their ethnic group (5.5%) revealing that Pakistani and Bangladeshi men are also experiencing a poverty trap of low paid work.

Racialised minorities are also more likely to have suffered unemployment during the Covid-19 pandemic due to their high representation in low-paid work in 'shut down' sectors, such as hospitality and key workers. Racialised minority groups, particularly from black backgrounds, were over-represented amongst key workers during the Covid-19 pandemic (including those in health and social care, security, wholesale and retail and bus, coach and taxi drivers)¹⁵⁷ and were least likely to work from

¹⁵² Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021/pages/2-1-employment-gap-by-ethnicity-and-gender.aspx)

¹⁵³ Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021/pages/2-1-employment-gap-by-ethnicity-and-gender.aspx)

¹⁵⁴ Data on the ethnicity pay gap is only provided to 2019 for this measure. The accuracy of income weights were affected by an issue with the coding of occupations identified by ONS. Scottish Government (2022). Labour Market Statistics for Scotland by Ethnicity, January to December 2021. Available at: [Labour Market Statistics for Scotland by Ethnicity, January to December 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/labour-market-statistics-for-scotland-by-ethnicity-january-to-december-2021/pages/2-1-employment-gap-by-ethnicity-and-gender.aspx)

¹⁵⁵ Trade Union Congress (2016). Black workers with degrees earn a quarter less than white counterparts. Available at: [Black workers with degrees earn a quarter less than white counterparts, finds TUC | TUC](https://www.tuc.org.uk/news/black-workers-with-degrees-earn-a-quarter-less-than-white-counterparts)

¹⁵⁶ Fawcett Society (2017). Many minority ethnic women 'left behind' by pay gap progress. Available at: [Download.ashx \(fawcettsociety.org.uk\)](https://www.fawcettsociety.org.uk/news/many-minority-ethnic-women-left-behind-by-pay-gap-progress)

¹⁵⁷ Institute for Fiscal Studies (IFS) (2020). Covid-19 and Inequalities. Available at: [COVID-19 and Inequalities | Institute for Fiscal Studies \(ifs.org.uk\)](https://www.ifs.org.uk/covid-19-and-inequalities)

home, with just 8% of those in the accommodation and food sector in the UK reporting home working.¹⁵⁸ Racialised minorities also reported feelings of lost governmental support during the Covid pandemic.¹⁵⁹ This creates additional barriers to emerging training opportunities, which without employer's encouragement in recruitment, could exacerbate racial inequalities in Scotland's labour market in the move to a net zero economy.

Key issues:

- Racialised minority groups face systemic barriers in the labour market, including racial discrimination, harassment and abuse which generate poorer outcomes than average.
- Ethnicity data in the labour market is limited, minimising an evidence base for racial discrimination.
- Minority ethnic women and those aged 25-34 experience the largest employment gaps.
- Ethnic minorities disproportionately faced unemployment during the Covid-19 pandemic, especially key workers.

D.3.8 Religion or Belief

In the 2011 Census, over a third of the Scottish population (36.7%) stated that they have no religion: this is the largest category within the 2011 census.¹⁶⁰ Next to this, 32.4% of people identified the Church of Scotland as their main belief and 15.9% identified the Roman Catholic Church. 7.0% of the Scottish population comprise the group, "Other Christian". There are several other religious minorities in Scotland, with Muslim being the largest of these at 1.5%.

Religion or belief is one of the five groups or protected characteristics covered by the hate crime legislation. Sectarianism also remains an issue in Scotland. Roman Catholicism is the religion that was most often the subject of reported abuse, with 319 charges for 2017-18.¹⁶¹ Protestantism and Islam are the religions that were subject to the next highest number of aggravations in 2016-17 (174 and 115 charges respectively) followed by Judaism (21 charges). These groups may have more concerns about experiencing discrimination, assault, or harassment based on religious identity.

¹⁵⁸ Office for National Statistics (2021) Business and individual attitudes towards the future of homeworking, UK: April to May 2021 – Analysis of the effects of the coronavirus (Covid-19) pandemic on office working and of business and individual attitudes to future working practices. [Business and individual attitudes towards the future of homeworking, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/businessandindividualattitudes/towardsfutureofhomeworking)

¹⁵⁹ Scottish Government (2020). The Impacts of Covid-19 on Equality in Scotland. Available at: [Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf \(www.gov.scot\)](https://www.gov.scot/publications/covid-and-inequalities-final-report-for-publication-2020-12-23/pdfs/covid-and-inequalities-final-report-for-publication-2020-12-23.pdf)

¹⁶⁰ Scotland's' Census 2011 - National Records of Scotland. Table KS209SCb – Religion; All people. Available at: <https://www.scotlandscensus.gov.uk/search-the-census/#/>

¹⁶¹ Scottish Government (2016-16). Religiously Aggravated Offending in Scotland 2017-18. Available at: [Supporting documents - Religiously aggravated offending in Scotland 2017-2018: analysis of charges - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/supporting-documents-religiously-aggravated-offending-in-scotland-2017-2018-analysis-of-charges-2018-12-12/pdfs/supporting-documents-religiously-aggravated-offending-in-scotland-2017-2018-analysis-of-charges-2018-12-12.pdf)

Key issues:

- Discrimination, assault, or harassment on the basis of religious identity may affect people of certain religious groups more than others, and this may affect their experience in the labour market.

of employment while significantly impacting women's personal wellbeing.¹⁶⁸ Caring responsibilities are also likely to influence unpaid breaks from employment which impact household income and generate barriers of entry when returning to the labour market. The pressures of caring responsibilities are exacerbated for single parents who experience a greater risk of poverty. Therefore, caring responsibilities generate labour market inequalities and can be attributed to the gender pay gap.

Occupational segregation, alongside other labour market attitudes, contributes to the gender pay gap.¹⁶⁹ Although the gender pay gap (for median full-time hourly earnings (excluding overtime)) in Scotland has been lower than the UK since 2003 and has typically been reducing over time. In 2022, the Scottish gender pay gap stood at 12.2% for all employees and 3.7% for full-time employees, compared to the UK at 14.9% and 8.3%, respectively.¹⁷⁰ Real Living Wage statistics also reveal gender disparities, with a higher percentage of men being paid the real Living Wage compared to women. In 2022, 92.5% of men were earning the real Living Wage compared to 89.7% of women.¹⁷¹

Close the Gap further analysed the gender pay gap by occupational groups for 2020.¹⁷² This revealed that the gender pay gap was highest for skilled trades at 26%, followed by process, plant, and machine operatives at 19.5% and managers, directors, and senior officials at 14.9%. While caring, leisure and service occupations had the lowest gender gap (2.5%), followed by sales and customer services (5.6%). Indicating that typically male dominated roles discriminate most against women in terms of pay. The significant pay gap within managerial positions demonstrates the barriers women face in accessing senior roles in the workplace mentioned earlier.

Intersectional analysis of the gender pay gap is limited by data because women are not a homogenous group. There are gaps in analysing how ethnicity and gender intersect to influence pay gaps.

The Young Women's Movement (YWCA) recognise intersectional inequalities faced by young, racialised minority, disabled women, and women with caring responsibilities in the labour force, who all report exclusion from labour market opportunities due to the following perceptions of their characteristics.¹⁷³

- Young women felt excluded from the labour market due to perceptions of inexperience;
- Racialised minority women reported fear of discrimination due to their status as a 'young immigrant woman', requiring a visa to work or because they have a foreign last name.

¹⁶⁸ Scottish Government (2022). Tackling child poverty delivery plan 2022-2026: annex 7: equality impact assessment. Available at: [Supporting documents - Tackling child poverty delivery plan 2022-2026 - annex 7: equality impact assessment - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/06/Supporting_documents_-_Tackling_child_poverty_delivery_plan_2022-2026_-_annex_7:_equality_impact_assessment_-_gov.scot)

¹⁶⁹ Calculated as the difference between the average hourly earnings for men and women as a proportion of the average hourly earnings for men.

¹⁷⁰ Scottish Government (2022). Annual Survey of Hours and Earnings (ASHE). Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/06/Annual_survey_of_hours_and_earnings:_2022_-_gov.scot)

¹⁷¹ Scottish Government (2022). Annual Survey of Hours and Earnings: 2022. Available at: [Annual survey of hours and earnings: 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/06/Annual_survey_of_hours_and_earnings:_2022_-_gov.scot)

¹⁷² Close the Gap (2022). Gender Pay Gap Statistics. Available at: [CTG-Gender-Pay-Gap-Statistics\(closesthegap.org.uk\)](https://www.closesthegap.org.uk)

¹⁷³ The Young Women's Movement (2021). Status of Young Women in Scotland 2020/2021. Accessible at: [Status-of-Young-Women-Scotland-2021.pdf \(ywcascotland.org\)](https://www.ywcascotland.org/status-of-young-women-scotland-2021.pdf)

- Young disabled women felt excluded from development opportunities due to adjustments required by the employer;
- Some disabled women have been advised to avoid disclosing disabilities until they have been offered a role or surpassed their probation period; and
- Mothers and women caring for relatives reported being restricted to part-time work and consequently facing exclusion from the same promotions and development opportunities as full-time staff.

The YWCA also reported that the economic impacts of Covid-19 have disproportionately affected young women and exacerbated pre-existing labour market inequalities. Employment stability for 51% of young women was affected by the pandemic, including 25% who were furloughed, 8% made redundant and 20% struggling to find employment. While 40% of those in employment felt insecure and 60% had to change their career plans.

Further, the cumulative impacts of the pandemic and decline in the job market generated harmful impacts on women's mental health. Over half of young women felt stressed and anxious when applying for new job opportunities, and a quarter felt unsupported by their employer to look after their mental health.

Key issues:

- Women have a lower employment rate compared to men, and a higher percentage of women are employed on zero-hour contracts.
- Women face systemic barriers in the labour market which generate underrepresentation, occupational segregation, and exclusion from progression.
- Intersectional labour market inequalities are identified for young women, racialised minority women, disabled women, and women with caring responsibilities.
- The Covid-19 pandemic disproportionately impacted young women's job security, career development and mental health.

D.3.10 Sexual Orientation

In the Scottish Surveys Core Questions 2019, 94.2% of adults identified with being heterosexual and 2% identifying as lesbian, gay, bisexual, or other (LGBO). The remaining respondents answered, "Don't Know". It is believed that this survey may undercount the number of adults self-identifying as LGBO as they may not feel comfortable with the interviewer.

Sexual orientation is one of the five groups of protected characteristics covered by the hate crime legislation and the most pertinent issue faced by this group relates to fears about intimidation, violence and/or abuse. It is estimated that 17% of LGBT people, and one in four disabled LGBT people, experienced a hate crime in the twelve months prior to 2017, an increase from 9% in 2013. Charges for hate crime charges aggravated by sexual orientation have also increased, despite 87% of homophobic, biphobic or transphobic hate crimes being left unreported.¹⁷⁴

Furthermore, according to the Equality Network, 79% of LGBT people in Scotland have experienced prejudice or discrimination in the last year. When it comes to accessing services, one out of every four people has experienced discrimination.¹⁷⁵

Key issues:

- Limited information and data is available on the LGBT population including the lived experiences of this group.
- People in this group may be concerned about accessing employment for fear of harassment or discrimination.

D.4 Deprivation

The extent of deprivation is measured by the 2020 Scottish Index of Multiple Deprivation (SIMD) (Scottish Government, 2020b). It provides an overall deprivation ranking for data zones (DZs) across Scotland by across seven domains. These domains include aspects such as income, employment, health, education, crime, access to services, and housing; and are the key factors which influence a person's experience of deprivation.

The areas showing the highest concentrations of deprivation tend to be around urban areas and their suburbs. That is not to say that people in rural areas experience lower of deprivation per se, just that deprivation in these areas is more dispersed (as shown in Table 3-1).¹⁷⁶ According to the SIMD in 2020, the highest percentage of deprivation is found within Glasgow City, at 45.44% of data zones among the 20% most deprived areas locally, followed closely by Inverclyde at 44.74%.

¹⁷⁴ Stonewall Scotland (2017). LGBT in Scotland: Hate Crime and Legislation. Available at: [Stonewall Scotland, Hate Crime - final.cdr](#)

¹⁷⁵ Equality Network (2015). The Scottish LGBT Equality Report, 2015. Available at: [The-Scottish-LGBT-Equality-Report.pdf \(equality-network.org\)](#)

¹⁷⁶ Scottish Government (2020). SIMD 2020v2 local & national share calculator. Available at: [Scottish Index of Multiple Deprivation 2020v2 local and national share calculator - gov.scot \(www.gov.scot\)](#)

Table D-1: Number of '20% Most Deprived' Data Zones by Local Authority 2020

Local authority area	No. Of '20% most deprived' data zones	Local share (%)
Glasgow City	339	45.44%
Inverclyde	51	44.74%
North Ayrshire	74	39.78%
West Dunbartonshire	48	39.67%
Dundee City	70	37.23%
North Lanarkshire	153	34.23%
East Ayrshire	51	31.29%
Clackmannanshire	18	25.00%
Renfrewshire	56	24.89%
South Lanarkshire	88	20.42%
Fife	97	19.64%
South Ayrshire	28	18.30%
Falkirk	35	16.36%
West Lothian	35	14.64%
Stirling	15	12.40%
City of Edinburgh	71	11.89%
Argyll and Bute	13	10.40%
Aberdeen City	29	10.25%
Highland	30	9.62%
Dumfries and	19	9.45%
Midlothian	10	8.70%
Angus	12	7.74%
Scottish Borders	9	6.29%
East Lothian	8	6.06%
Perth and Kinross	11	5.91%
East Renfrewshire	7	5.74%
East Dunbartonshire	5	3.85%
Moray	4	3.17%
Aberdeenshire	9	2.65%
Na h-Eileanan an Iar	0	0.00%
Orkney Islands	0	0.00%
Shetland Islands	0	0.00%

These statistics provide a measure of 'relative deprivation', not affluence. As such, it is important to recognise that not every person in a highly deprived area will consider themselves to be deprived and likewise, that there will be some people experiencing

deprivation who live in the least deprived areas. For example, over 50% of people on low incomes do not live in the 20% most deprived areas in Scotland.

In terms of protected characteristics, areas with a higher level of deprivation tend to accommodate more people with a long-term limiting condition, including disabled people. In the most deprived areas in Scotland, 48% of adults live with a limiting condition while only 25% of adults live with a limiting condition in the least deprived areas.¹⁷⁷ Disability and socio-economic disadvantage are clearly linked, and any potential economic cost associated with the RAP and ARES actions could impact these individuals.

D.5 Poverty

D.5.1 Relative poverty

In 2017-2020, 17% of Scotland's population were living in relative poverty before housing costs and 19% after housing costs.¹⁷⁸ As shown in figure D-9, relative poverty rates have fluctuated from the highest figures recorded in 1994-1997 to the lowest in 2011-2014. Since then, rates began to rise again until stabilising in 2015-2018.

Figure D-9 Proportion of people in relative poverty before and after housing costs, Scotland 1994-2020



Source: Scottish Government (2021) *Poverty and Income Inequality*

In terms of protected characteristics, relative poverty is more prevalent amongst:

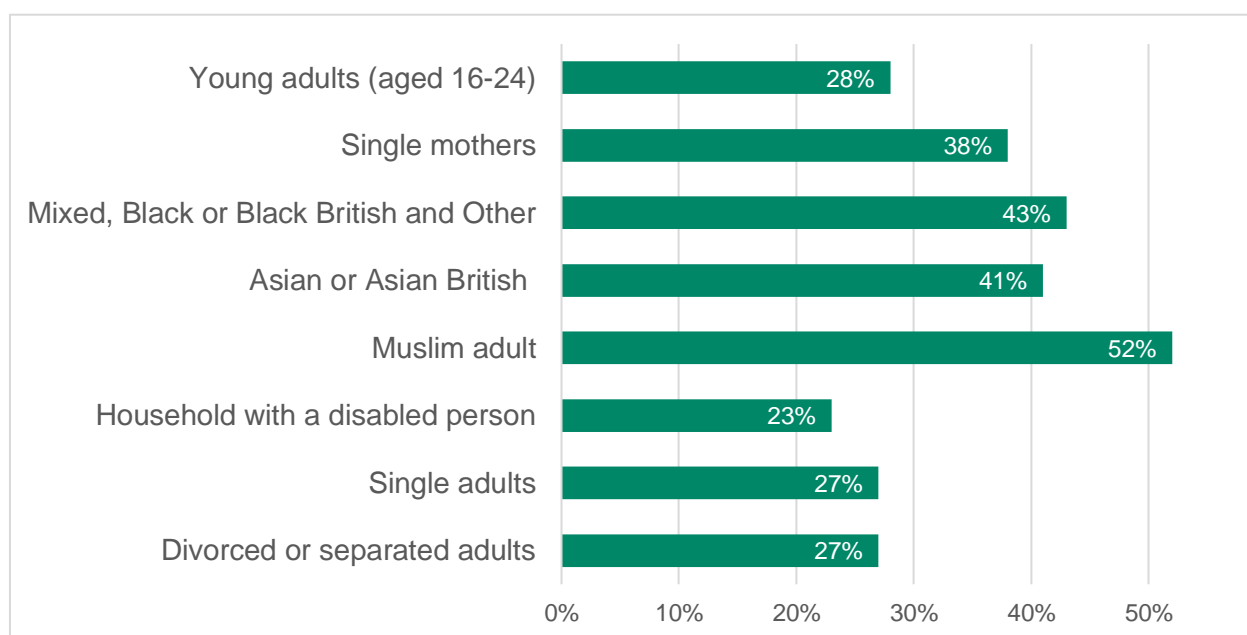
- Young people (16–24-year-olds)
- Single mothers

¹⁷⁷ Scottish Government (2022). Scottish Health Survey 2021: supplementary tables. Available at: <https://www.gov.scot/publications/Scottish-health-survey-2021-supplementary-tables/>

¹⁷⁸ Scottish Government (2021). Poverty and Income Inequality in Scotland 2017-2020. Available at: [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://www.gov.scot/publications/Poverty-and-income-inequality-in-scotland-2017-2020/)

- Single, divorced, or separated adults
- Racialised minority groups
- Muslims
- Household with disabled member

Figure D-10 Proportion of groups at higher risk in relative poverty, Scotland 2017-2020.



Source: Scottish Government (2021) *Poverty and Income Inequality*

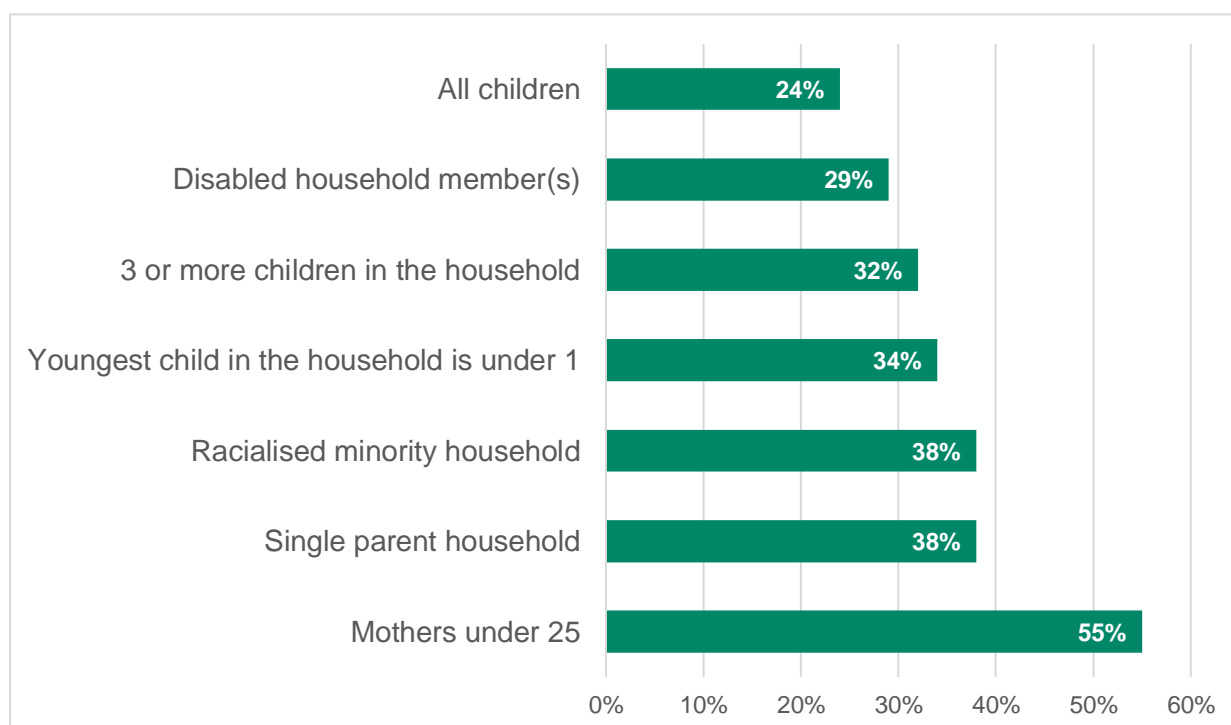
D.5.2 Child poverty

The latest records (2017-2020) estimate that 21% of children were living in relative poverty before housing costs and 24% after housing costs.¹⁷⁹ Following a steady decline between 1994-1997 and 2010-2013, child poverty rates have been rising again.

Figure D-11 identifies the priority groups which are known to have a greater risk of child poverty. Most households with children experiencing child poverty will belong to at least one of these groups.

¹⁷⁹ Scottish Government (2021). *Poverty and Income Inequality in Scotland 2017-2020*. Available at: [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot)

Figure D-11 Proportion of child poverty priority groups experiencing relative poverty after housing costs, Scotland 2017-20



Source: Scottish Government (2022) *Tackling child poverty delivery plan 2022-2026*¹⁸⁰

D.5.3 In-work poverty

While employment is a way out of poverty and families with all adults in full-time employment have a lower risk of poverty, if a job does not pay well or the employees are unable to work enough hours the risk is greater.

Relative in-work poverty has remained relatively stable since the first records in 1994-1997. In 2017-2020, relative poverty stood at 16% before housing costs and 19% after housing costs.

In terms of protected characteristic groups, two thirds (68%) of children experiencing relative poverty, after housing costs, live in working households while only 32% live in workless households.

Further, the CRER evidence that racialised minority communities face a poverty trap of low paid employment and minority ethnic households have 10 times less 'wealth' than British households in terms of savings or assets.¹⁸¹ Further, lower employment rates across racialised minority groups – especially women – means households are less likely to have two income earners to buffer for crises. The indication that racialised minorities have a lower ability to save generates disproportionate vulnerability to the long-lasting impacts of Covid-19 which may contribute to a rise in poverty.

¹⁸⁰ Scottish Government (2022). *Best Start, Bright Futures: tackling child poverty delivery plan 2022-2026*. Available at: [Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026 \(www.gov.scot\)](https://www.gov.scot/Best-Start-Bright-Futures-Tackling-Child-Poverty-Delivery-Plan-2022-2026)

¹⁸¹ Coalition for Race Equality and Rights (2020). *Ethnicity and Poverty in Scotland 2020*. Available at: [CRER Ethnicity and Poverty in Scotland 2020 \(usfiles.com\)](https://www.usfiles.com/CRER-Ethnicity-and-Poverty-in-Scotland-2020)

D.5.4 Cost of living

The Joseph Rowntree Foundation's 'Poverty in Scotland 2022' publication reports on the societal impact of the recent cost of living crisis.

A poll of lived experience in Scotland reveals that:

- One-third of people either have no savings or under £250, rising to two-thirds for unemployed households and 70% of single parent households;
- One in 20 households are behind on rent or mortgage payments;
- 65% of households have cut back on one essential and 26% have cut back on three or more essential goods, while three in four households have cut back on the basics;
- 44% of households heated their homes less than they needed to reduce cost; and
- 23% of households felt financially insecure, with renters feeling more insecure than homeowners.

A consequence of the financial pressures of the living crisis has been a deterioration on mental health. Key households reporting negative impacts on mental health include families with a child where a household member has a disability (74%), single-parent families (69%) and households with a baby (80%). Further, half of respondents reported a negative impact on their social life which threatens to repeat the isolation of the Covid-19 pandemic.

Key issues relating to poverty:

- Some protected characteristic groups are more at risk to both relative poverty and child poverty, including racialised minority households, single parent households and households with a disabled member.
- In-work poverty is disproportionately felt across racialised minority households because of the poverty trap of low paid employment and higher levels of unemployment, especially amongst racialised minority women.
- The cost-of-living crisis has generated precarious financial situations for unemployed households, renters, and single parents.



© Crown copyright 2023



This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-80525-548-2 (web only)

Published by The Scottish Government, April 2023

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1247362 (04/23)

W W W . g o v . s c o t