

EQUALITY IMPACT ASSESSMENT - RESULTS

Title of Policy	Workplace Equality Fund
Summary of aims and desired outcomes of Policy	The purpose of the Workplace Equality Fund is to work with businesses to address long standing barriers in the labour market so that everyone has the opportunity to fulfil their potential.
Directorate: Division: team	Workforce Equality Team, Fair Work & Skills Division, DG Economy

Executive summary

Scotland's Economic Strategy focuses on the complementary goals of boosting competitiveness and tackling inequality. It is an approach supported by a growing body of international evidence which shows that countries with more equal societies typically enjoy stronger, more sustainable growth over the long run. We believe that promoting growth in employment opportunities and tackling inequality within the labour market are not mutually exclusive. In fact, we believe that tackling inequality is essential to the sustained, long-term prosperity of the Scottish economy.

Employment rates, pay gaps, occupational segregation, workplace discrimination and progression opportunities within the labour market vary significantly across Scotland and also among specific communities. Helping employers to understanding the drivers of inequality and to take action to address it is key to the Workplace Equality Fund and of the Scottish Government's commitment to inclusive economic growth.

In particular the Workplace Equality Fund will support the delivery of the Scottish Government's Programme for Governments (2016&2017), Fair Work Framework, Race Equality Framework, Disability Delivery Action Plan; Scotland's Labour Market Strategy and Fairer Scotland Action Plan. It will also contribute towards achieving outcomes within Scotland Performs, and the National Performance Framework.

Background

At the STUC Annual Congress on 24 April 2017 The First Minister announced funding of £500,000 for the creation of the Workplace Equality Fund. In the speech the First Minister stated that the Fund will aim to address long standing barriers in the labour market so that everyone - irrespective of gender, race or disability - has the opportunity to fulfil their potential and improve Scotland's economic performance as a result.

A commitment to establish this Fund was made in the Labour Market Strategy published on 15 August 2016. The Programme for Government for 2016-17 recognised that the labour market did not provide good outcomes for many equality groups and that a Workplace Equalities Fund would draw on the recommendations made in the Race Equality Framework for Scotland 2016-2030 and the findings of the Equal Opportunities Committee inquiry into Removing Barriers: Race, Ethnicity and Employment, published in January 2016.

The Scope of the EQIA

It is clear that the Workplace Equality Fund will affect people and businesses in Scotland, directly or indirectly.

The EQIA has been informed by detailed analysis of existing evidence and data (both qualitative and quantitative) in order to draw out the potential impacts of the policy for the eight protected characteristics:

Age, Disability, Sex, Pregnancy and maternity, Gender reassignment, Sexual Orientation, Race, Religion and Belief

The evidence for this EQIA was taken from the Office for National Statistics (ONS), International Labour Organisation (ILO), Census data 2011, Labour Force Survey, Equalities and Human Rights Commission (EHCR) report Fair Opportunities for all (2017), EHCR report: Pregnancy and Maternity Related Discrimination and Disadvantage (2015), Scottish Government Equality Outcomes: Lesbian, Gay, Bisexual and Transgender (LGBT) Evidence Review, and A Fairer Scotland for Disabled People – Action Plan

The Scottish Government has also used both formal and informal stakeholder feedback to inform the development of the policy. This included consultation with the EHCR, Business in the Community Scotland, Age Scotland, STUC, members of the Ministerial Working Group on tackling pregnancy and maternity discrimination in the workplace, BME Employability Steering Group and the Scottish Apprenticeship Advisory Board Equality Employers Group. The Scottish Government also commissioned Edinburgh University to undertake research into “Older People in Employment in Scotland” report published in September 2017, WiSE Research centre – Gendered Labour Market Trends: evidence for Scotland March 2016, and Timewise Report 2017 into the availability of part time and flexible working. Interim findings from these reports were also used to help inform the development of the Fund.

The EQIA has highlighted evidence there are groups of people, particularly those people with protected characteristics, who experience inequality in the labour market. This analysis has reconfirmed the need for a Fund to support employers to address such inequalities. This is why applicants to the Fund will be asked to demonstrate:

-Identification and promotion of practice that works in reducing employment inequalities, discrimination and barriers.

- Equality of opportunity for Women, Minority Ethnic Groups Disabled People and Older Workers (those aged over 50) to access and progress in work.
- Open up work opportunities for participants in sectors in which they are under-represented.
- Support for businesses to develop knowledge and skills around fair work principles and lead to a more inclusive workplaces.
- Support for businesses to deal with the employment challenges faced by participants, and demonstrate what practical steps they will undertake to address these issues within their workplace.
- How the business will either build upon existing practices or will trial new innovative practices.
- What immediate to longer term outcomes will be for the participants in the programme with clear progression evidenced.
- How the business will continue to support participants during and after the funding period.
- How they monitor and measure the internal impacts of the programme on the business to ensure lasting cultural and practical changes within the workplace.

The policy proposition relating to WEF will primarily have an impact on supporting older workers, women, disabled people, and those from a minority ethnic background. However encouraging employers to adopt more inclusive workplace practices will also indirectly help support all workers including those with other protected characteristics.

Key Findings

Disabled Groups

Disabled people are significantly less likely to be in employment than people who are not disabled. In 2016, the disability employment gap was 37.4 percentage points. The aim of WEF will be to support employers to recruit more disabled workers and to improve workplace practice to support disabled workers to progress within their careers.

Race, Religion and Belief

In 2016/17 ethnic minority women had lower employment rates (45%) than white ethnic women (70.5%) whereas the employment rate for minority ethnic males (71.6%) was more similar to white ethnic males (77.1%). There are also differences in economic activity levels between people based on religious affiliation. For Muslim women they can be subject to the twin inequalities surrounding religion and gender ie around two-thirds of Muslim men (67%) are economically active compared with 35% of Muslim women.

While in employment some ethnic minority groups and religious groups face inequalities while in employment, this evident in the causes of minority ethnic pay gap.

The evidence researched for the EQIA demonstrated that there are many reasons for this. Applicants to the WEF will be asked to demonstrate how they will look at their recruitment practices to identify and remove any barriers in the recruitment process that prevent ethnic minority groups from successfully gaining employment and progressing with their careers.

Sex

The employment rate in 2016 for men is 76.9% and for women it is 69.2%. There has been an increase in the inactivity level for women now stands at 27.5% in 2016. The gender pay gap in 2016 is at 6.2% and gender segregation and other structural issues remains a persistent issue.

We also have aging female workforce with growing care responsibilities.

Of those women who are inactive around 29% (the largest group) were looking after family/home. The proportion of economically inactive women who would like a job is around 21.5%.

Occupational segregation continues to negatively affect women in terms of income levels. Caring responsibilities can mean that

women tend towards lower skilled, lower paid jobs, often temporary in nature and the Scottish Government is keen to support actions to address the negative impact of such outcomes, which often lead to in-work poverty. Since 2008, the number of temporary workers has increased by 2,000 to 110,000. It is accepted that temporary employment tends to be lower skilled and lower paid positions. 53.1% of temporary workers were women.

In line with Scottish Government's Fair Work ambitions, the WEF will aim to support employers to tackle these inequalities in the workplace.

Pregnancy and Maternity

Research conducted by EHRC showed that three in four mothers (77%) said they had a negative or possibly discriminatory experience during pregnancy, maternity leave, and/or on return from maternity leave. The motherhood penalty is frequently cited in research as one of the main causes of the gender pay gap. While the majority of employers reported that it was in their interest to support pregnant women and those on maternity leave, there are some that feel that pregnancy put an unreasonable cost burden on the workplace. The WEF provides funding for employers to improve their policies and procedures to support pregnant employees and new mums. It also seeks to encourage employers to adopt flexible working practices that support all their employees.

Disabled people

Annual population survey 2016 shows that the employment rate of for disabled (42.9%) is 37.3% points lower than non-disabled people (80.01%).

The overall disability pay gap is 13% for men and 7 % for women. There are variations in the size of pay gaps depending on the nature of the disability - those with physical impairments generally earn less than non-disabled people but the pay gap for those with mental health conditions are particularly large among

men. The WEF will therefore seek to complement existing initiatives such as Access to Work and new programmes such as the introduction of Fair Start to not only support disabled people into employment but also to improve retention and progression.

Older workers (those aged over 50).

Two thirds of pensioners in employment work part-time. Working pensioners work mainly in medium-high skilled occupations but female pensioners work considerably more in medium-low and low skilled occupations than male pensioners. The number of working pensioners stating that they are overemployed has grown considerably over the past decade, suggesting that many would prefer to reduce their hours.

Levels of investment in training opportunities for older workers have been very low for the past decade. Female pensioners have greater caring responsibilities than men which is likely to prevent many women from remaining in work or being able to work full time. There is also a higher gender pay gap in older age groups, partly due to inequality of unpaid care between men and women.

These findings highlight the importance of Scottish Government policies to promote age inclusive workplace practices, address the drivers of the gender pay gap, support employment opportunities for those who need it the most and support retraining and flexible working for all workers. The WEF has been designed to support employers to implement such policies within their workplaces.

Recommendations and Conclusion

The EQIA process has not altered the policy intention but it has identified evidence gaps and likely data that will be required going forward to allow for policy development and implementation to be monitored. The evidence suggests that this initiative will have potential to positively improve workplace practices for workers with protected characteristics.

Throughout the duration of the Workplace Equality Fund the EQIA will be used to inform decisions on funding, implementation, effectiveness and results including interaction with other employment support policy areas eg. Fair Work and Business Pledge. The clear ambition of the Fund is to implement inclusive economic growth and encourage more employers to adopt fair work practices to ensure diverse and inclusive workforce and workplaces. It will also benefit current and prospective employees.

Successful applicants to the Fund will be asked to provide feedback. This will allow Scottish Government to supplement its existing data, frame and develop more effective interventions, update and amend policy options in relation to the protected characteristics.

This EQIA will be referred to during the evaluation, results analysis process and will be a consideration when developing future policies, strategies and workplace initiatives.