

# **Child Rights and Wellbeing Screening Sheet for Scotland's National Strategy for Economic Transformation**

**March 2022**



**Scottish Government**  
Riaghaltas na h-Alba  
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## 1. Brief Summary

Name the policy, and describe its overall aims. Which National Outcomes does this policy/measure contribute to?

Scotland's National Strategy For Economic Transformation

In 2021, the SNP Manifesto<sup>1</sup> made a commitment to delivering a new National Strategy for Economic Transformation (NSET) in the first six months of the current parliamentary session. It also committed to establishing a new Council for Economic Transformation to shape the strategy and guide its implementation.

Since then, the Scottish Government has engaged extensively with a wide range of stakeholders across Scotland to facilitate opportunities to shape the strategy's development and its vision and objectives. This engagement has included:

- a semi-formal 9-week public consultation that received over 260 responses;
- extensive stakeholder engagement in the form of official and Ministerial meetings, engagements and roundtables (including a roundtable with children and young people in September 2021); and
- The Advisory Council for Economic Transformation chaired by the Cabinet Secretary for Finance and Economy and made up of 16 members representing industry, trade unions, academics and economists.

This engagement has helped to shape and inform NSET's vision and ambition, as well as its transformational policy programmes and actions that will be developed and implemented over the next ten years.

Our vision for 2032 is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions. Scotland's economy will significantly outperform the last decade, both in terms of economic performance and tackling structural economic inequalities.

We recognise our people must be at the very heart of an economy that works for all and where everybody, in every community and region of the country, will share in our economic prosperity. Our ambition is for Scotland to become:

- Fairer: Ensuring that work pays for everyone through better wages and fair work, reducing poverty and improving life chances.
- Wealthier: Driving an increase in productivity by building an internationally competitive economy founded on entrepreneurship and innovation.
- Greener: Demonstrating global leadership in delivering a just transition to a net zero, nature-positive economy and rebuilding natural capital.

Our analysis of the evidence has identified the following interrelated Programmes of Action to shift the economic dial and help deliver wellbeing for all:

- Entrepreneurial People and Culture: Establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes and celebrates entrepreneurial activity in every sector of our economy;

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<sup>1</sup> [SNP 20 21 Manifesto: Scotland's Future, Scotland's Choice — Scottish National Party](#)

- **New Market Opportunities:** Strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition to net zero;
- **Productive Businesses and Regions:** Make Scotland's businesses, industries, regions, communities and public services more productive and innovative;
- **Skilled Workforce:** Ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society, and that employers invest in the skilled employees they need to grow their businesses;
- **Fairer and More Equal Society:** 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; and
- **A Culture of Delivery:** Ensure we successfully deliver the interconnected programmes of action set out above and transform the way in which the Government and business listen to, support and work with each other.

As NSET is a ten year vision and strategy, it sets out a direction of travel for a wide range of programmes and policies. As this work is taken forward, it will necessitate development of relevant impact assessment requirements, including CRWIAs, at the appropriate time.

A successful economy is critical to achieving the Scottish Government's wider ambitions for our country. This strategy enables us to support the delivery of the outcomes described in our National Performance Framework; it lies at the heart of our Programme for Government and our Covid Recovery Strategy; and it will set the context for future Spending Reviews and capital investment plans in the years ahead.

## 2. What aspects of the policy/measure will affect children and young people up to the age of 18?

The Articles of the UNCRC and the child wellbeing indicators under the Children and Young People (Scotland) Act 2014 apply to all children and young people up to the age of 18, including non-citizen and undocumented children and young people.

NSET, and the plans and strategies to which NSET is aligned, will work together to deliver a 'whole systems' approach to transforming our economy over the next 10 years. This approach takes into account the people, place, environment and communities of Scotland.

NSET will, therefore, impact on people of all ages, sex and backgrounds, living or with the intention of living in Scotland in future. This will include children and young people up to the age of 18.

The Programme of Actions identified in NSET are intended to drive Scotland's overall economic prosperity to the benefit of all our people and places. However, just as every person is an individual with particular characteristics and circumstances, their experiences of economic activity and the impact that Scotland's economy has on their lives are different. We recognise that whilst many geographic areas of Scotland are performing well, there are deep seated regional inequalities in

economic activity with post-industrial areas performing less well and rural areas facing particular challenges (e.g. falling labour supply, weaker access to infrastructure). These regional variations translate into persistent socio-economic inequalities in our communities and regional differences across the range of wellbeing economy indicators such as the quality of jobs and public services, health outcomes and child poverty. We recognise that a fair and equal society and a wealthier economy are mutually reinforcing<sup>2</sup>: Economies that have stronger productivity growth also have higher wellbeing, and good businesses recognise that well paid and respected workers are productive workers.

Based on the above, we anticipate the following specific aspects of NSET to affect children and young people up to the age of 18:

- Actions that aim to reduce poverty, in particular child poverty, and improve economic, health, cultural and social outcomes for disadvantaged families and communities;
- Actions that aim to eliminate structural inequalities in the labour market and the economy overall;
- Actions that aim to eliminate deep seated long-standing regional inequalities in economic activity, in particular in post-industrial areas and rural areas that face challenges such as falling labour supply and weaker access to infrastructure;
- Actions on developing skilled workforce. In particular to understand what steps need to be taken to bring more people into the labour market to systematically address Scotland's labour market inactivity challenges (through the use of child-care and transport provision, part-time / flexible working, support for employees with disabilities, and business start-up and work from home opportunities); and to develop proposals for a national digital academy focused around the provision of SCQF level 6 qualifications including Highers, including broadening young people's access to subjects which may not be available locally.
- Actions that aim to create entrepreneurial people and culture, in particular those that aim to embed entrepreneurship in the Young Person's Guarantee; those that promote project-based entrepreneurial learning across the school and post-16 education curricula; and those offering every school, college and university a network of relationships with high quality start-ups and entrepreneurs providing inspirational role models and mentors for young people. This will focus initially on schools in areas of multiple deprivation.
- Actions on boosting higher rates of employment and wage growth;
- Actions on increasing productivity.

As mentioned above, NSET provides a direction of travel for the Scottish economy over a period of the next decade. While there might be aspects of the national policy framework that will, to some extent, impact on children and young people up to the age of 18, the implications of these should be considered as the specific policies or, if relevant, legal provisions arise and are developed and implemented in future. We therefore anticipate that CRWIAs will be undertaken as that work is taken forward.

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<sup>2</sup> [Trends in Income Inequality and its Impact on Economic Growth | OECD Social, Employment and Migration Working Papers | OECD iLibrary \(oecd-ilibrary.org\)](#)

### 3. What likely impact – direct or indirect – will the policy/measure have on children and young people?

‘Direct’ impact refers to policies/measures where children and young people are directly affected by the proposed changes, e.g. in early years, education, child protection or looked after children (children in care).

‘Indirect’ impact refers to policies/measures that are not directly aimed at children but will have an impact on them. Examples include: welfare reforms, parental leave, housing supply, or local transport schemes.

We anticipate that NSET will bring benefits across the National Performance Framework, including but not limited to outcomes that relate to children and young people. Tackling the underlying causes of inequality in our society and providing economic opportunity is vital in order to improve life chances. NSET seeks to build an economic model that ensures work pays for everyone through better wages and fair work. In this way, and in tandem with other government interventions like the Scottish Child Payment, we can significantly reduce levels of child poverty and in-work poverty, in particular for women, and eradicating low pay – with all of the above making a contribution to improve children and young people’s health and overall wellbeing.

Scottish Government has a statutory duty to meet child poverty reduction targets in 2023 and 2030 under the Child Poverty (Scotland) Act 2017. Many communities in Scotland, however, face significant social challenges linked to poor economic performance, as evidenced by high levels of deprivation or child poverty in regions with low economic performance<sup>3</sup>. Recent projections suggest child poverty targets will be challenging to achieve, as the impacts of COVID-19 are likely to disproportionately affect workers in low pay sectors<sup>4</sup>. Ensuring that everyone in Scotland earns at least the real Living Wage and has access to Fair Work, and taking action to reduce the disability employment gap and the ethnicity and gender pay gaps are the key levers in reducing poverty for households with children. NSET aims to build on progress already achieved by working towards the implementation and delivery of policies and targets where these have already been set, such as the child poverty targets.

We recognise that our ambition for a Fairer and More Equal Society will be key to addressing socio-economic inequalities and tackling child poverty. Our aim is to deliver higher rates of employment and wage growth that will significantly reduce poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.

As part of our Fairer and More Equal Society Programme of Action, two projects have been developed to a) Tackle poverty through fairer pay and conditions and b) Eradicate structural barriers to participating in the labour market. We anticipate that the following NSET commitments will have both direct and indirect impact on children and young people:

- **Applying Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers’ voice** by summer 2022, and

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<sup>3</sup> NSET Evidence Paper <https://www.gov.scot/isbn/9781804351475>

<sup>4</sup> NSET Evidence Paper <https://www.gov.scot/isbn/9781804351475>

determining how the conditions can be applied to non-departmental public bodies and extended further.

- **Delivering on the commitment to require payment of the real Living Wage in Scottish Government contracts** from October 2021.
- **Work with employers and trade unions in sectors where low pay and precarious work can be most prevalent** (including leisure and hospitality, and early learning and childcare) to develop sectoral Fair Work agreements that deliver payment of the real Living Wage, better security of work, and wider fair work first standards. We will also promote the benefits of collective bargaining to achieve higher standards of pay, better security of work and greater union representation.
- Setting out how we will support parents to increase their incomes from employment as part of cross-government action to **deliver upon the ambitious targets set through the Child Poverty (Scotland) Act** within the next Tackling Child Poverty Delivery Plan.
- **Simplifying the employability system by implementing No One Left Behind**, combining funding streams and transferring investment from national to local government to enable the delivery of person-centred, place-based integrated support.
- **Ensuring that Every Contact Counts in delivering an aligned and integrated offer of support to those seeking to move into or progress within the labour market.** In this way we will ensure that employability support is embedded within the social infrastructure that individuals and families need to thrive, for example access to housing, health and advice services as well as affordable and flexible childcare and transport offers.
- **Taking further steps to remove barriers to employment and career advancement for disabled people, women and people from minority ethnic groups.** We will set these out in the forthcoming refreshed 'A Fairer Scotland for Disabled People: Employment Action Plan' and the Gender Pay Gap Action plan, and a new ethnicity pay gap strategy and plan.
- **Building on the principles of the Young Person's Guarantee, developing an all age guarantee of support for those most disadvantaged in the labour market,** with an initial focus on parents from the six priority family groups at risk of child poverty.

Our Entrepreneurial People and Culture Programme of Action and its associated commitments is also likely to impact children and young people. In particular, the project to embed first rate entrepreneurial learning across the education and skills systems commits to the following actions:

- Promoting the best available **project-based entrepreneurial learning across the school and post-16 education curricula.** Build a new partnership between business and our education system, offering every school, college and university a network of relationships with high quality start-ups and entrepreneurs **providing inspirational role models** and mentors who can show young people what can be achieved and develop a culture that celebrates entrepreneurship. This will focus initially on schools in areas of multiple deprivation.
- **Embedding entrepreneurship in the Young Person's Guarantee** to cultivate the business leaders of tomorrow by exposing them to first-rate start-up techniques and experiences and presenting business start-up as an aspirational,

realistic and deeply fulfilling career choice.

In addition to the above, the Skilled Workforce Programme of Action, and in particular the actions noted below that sit across its three projects, are also likely to impact on children and young people:

- **Developing proposals for a national digital academy focused around the provision of SCQF level 6 qualifications including Highers, to open up access to a wide array of subjects to a wider array of learners.** This is likely to include broadening young people's access to subjects which may not be available locally, as well as supporting post-school learners to access learning later in life and around other commitments.
- **Targeting more skills investment and support to working age people in poverty or at risk of moving into poverty (particularly the six priority family types).** Ensuring that access to training for more marginalised groups is made as easy as possible, we will work with learners and delivery partners to better understand the steps we must take to improve provision, including in areas such as training at times that suit people with caring responsibilities, with additional support needs or that fit around current jobs.
- **Systemically addressing Scotland's labour market inactivity challenges.** Assess trends within different labour market inactive groups and understand what steps can be taken to bring more individuals into the labour market – including through the use of child-care and transport provision, part-time / flexible working, support for employees with disabilities, and business start-up and work from home opportunities.

While we anticipate positive indirect impacts of NSET and the above policy commitments on children and young people, these impacts will be considered in detail as the delivery plans, specific policies and/or legal provisions are developed over the first six months following publication and the actions implemented over the course of the next ten years.

#### 4. Which groups of children and young people will be affected?

Under the UNCRC, 'children' can refer to: individual children, groups of children, or children in general. Some groups of children will relate to the groups with protected characteristics under the Equality Act 2010: disability, race, religion or belief, sex, sexual orientation. 'Groups' can also refer to children by age band or setting, or those who are eligible for special protection or assistance: e.g. preschool children, children in hospital, children in rural areas, looked after children, young people who offend, victims of abuse or exploitation, child migrants, or children living in poverty.

As mentioned above, NSET will affect the lives of people of all ages, sexes and backgrounds, living or with the intention of living in Scotland in future. This group will include children and young people up to the age of 18. We recognise, however, that there will be certain groups of children and young people who may be most affected by the indirect impact of NSET. These include, but are not limited to, the following groups:

- Children and young people living in poverty, including fuel poverty;
- Children and young people with protected characteristics, or living in a household which include adult(s) with protected characteristics; and

- Care experienced children and young people.

Furthermore, the available evidence suggests that there are six priority groups where the prevalence of child poverty is higher<sup>5</sup>. These priority groups each relate to one or more protected characteristics and include:

- Households with a disabled parent or child,
- Minority ethnic households,
- Larger families with 3+ children in household (many of which are minority ethnic families),
- Lone parents (90% of whom are women),
- Mothers aged under 25, and
- Families with a child under one year of age.

## 5. Is a Children's Rights and Wellbeing Impact Assessment required?

Please state if a CRWIA will be carried out or not. Please explain your reasons.

No. NSET will provide a national policy framework aiming to guide economic policy development and transform the economy over the course of the next ten years. Specific policy and / or legal provisions will be considered, developed and implemented in order to achieve the NSET Vision, Ambition and Programmes of Action. While some impacts of the NSET strategy have been identified and considered, our view is that these should be further explored at a point when specific policies and / or legal provisions outlined in the NSET strategy are developed to ensure a comprehensive assessment of their impact on children's rights and wellbeing.

## 6. Sign & Date

Policy Lead Signature & Date of Sign Off: Dr Kathy Johnston, 21 February 2022

Director Signature & Date of Sign Off: Dr Gary Gillespie, 21 February 2022

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<sup>5</sup> [Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-2018-2022/annex-3/pages/122.html)



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