Scotland's National Strategy for Economic Transformation

Equality Position Statement

Scottish Government
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Equality Position Statement**

Content

1. Background and Policy Aim

In 2021, the SNP Manifesto[1] made a commitment to delivering a new National Strategy for Economic Transformation (NSET) in the first six months of the current parliamentary session.

The Scottish Government established a new Advisory Council for Economic Transformation, including industry representatives, trade unions, academics and economist, to shape the strategy. It also engaged extensively with a wide range of stakeholders across Scotland, including through a semi-formal, 9-week consultation that received over 260 responses.

This engagement has helped to shape and inform NSET's vision and ambition, as well as the transformational Programmes of Action that will be developed and implemented over the next 10 years.

Vision
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 heart of an economy that works for all and where everybody, in every community and in every region of the country, shares in our 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.

A successful economy is critical to achieving our ambitions for Scotland. Success means a strong economy where good, secure and well-paid jobs and growing businesses have driven a significant reduction in poverty and, in particular, child poverty.

This strategy supports delivery of the outcomes described in our National Performance Framework; it builds on 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.

Addressing inequalities
Tackling the underlying causes of inequality in our society and providing economic opportunity is vital in order to improve life chances.

Despite our wealth, too many households continue to live in poverty as a result of structural inequalities. Significantly reducing poverty will boost our economy but

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[1] SNP 2021 Manifesto: Scotland's Future, Scotland's Choice — Scottish National Party

achieving it requires better wages and fair work. Our aim is to ensure that work provides a sustainable standard of living and a genuine route out of poverty. If we address poverty this will in turn boost productivity. For example, if Scotland's productivity matched that of the OECD top quartile, average annual wages would be almost 10% higher.

Transformational Programmes of Action
The analysis of the evidence has identified the following interconnected policy Programmes of Action to shift the economic dial and deliver our vision. They tackle the long term structural challenges, build on our economic strengths and position Scotland to maximise the greatest economic opportunities of the next ten years in a way that will transform the very fundamentals of how our economy works.

- **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;
- **New Market Opportunities:** Strengthen Scotland's position in new markets and industries generating new, well-paid jobs from the just transition to net zero;
- **Productive Businesses and Regions:** Make Scotland's businesses, industries, regions and 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; and
- **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.

We will deliver these Programmes of Action through a sixth programme on delivery which will introduce a new streamlined delivery model where all participants are clear about their roles and accept accountability for their actions:
- **A Culture of Delivery:** To 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.

The NSET will be delivered over the next ten years, with regular monitoring of progress and assessment of impact (see chapter 2 for further information).

Wellbeing economy
We are looking beyond GDP growth and taking a broader view of what it means to be a successful country to pursue a fairer, wealthier and greener economy, with wellbeing at its heart. Scotland is already leading the way on this work and we have made wellbeing an explicit part of our national purpose as a country, underpinning our National Performance Framework.

We recognise the importance of ensuring that our economic transformation helps to tackle inequality, advances equality, and improves the quality of life for people

experiencing the most disadvantage[2] in Scotland. Therefore, the development of NSET has been underpinned by extensive analysis of evidence and it will be implemented in a way that responds to the experiences of people right across our society.

Budgeting process
Ensuring that Scotland's economic transformation benefits all parts of Scotland and all people in our society will require actions across a range of policy areas, including decisions on spending. The recommendations submitted to the Scottish Government from the Equality Budget Advisory Group (EBAG) in its report 'Equality Budget Advisory Group: Recommendations for Equality and Human Rights Budgeting 2021-2026[3] ask for increased transparency and participation in the budget process, improved Scottish Government staff capability to collect and use equality and human rights evidence in the development of policies and budget decisions, and creation of further mechanisms to promote the importance of and provide greater accountability for equality and human rights in the development of the budget. We have committed to further embedding equality and human rights within the budgeting process and are exploring practical options to do so. We will provide a response to the EBAG in Spring 2022.

Our delivery plans will be linked to the forthcoming Scottish Government Resource Spending Review (RSR) and the RSR will also include equality impact assessments.

2.   NSET Transformational Equality Policy Projects and Governance

The NSET has identified 6 programmes and 18 projects, underpinned by 77 actions. Those projects that are expected to make a particularly significant contribution to addressing and mitigating existing and potential future inequalities in Scotland's labour market and economy include:

- Stimulate entrepreneurship by embedding first rate entrepreneurial learning across the education and skills systems;
- Create a world class entrepreneurial infrastructure with institutions and programmes to provide a high intensity pathways for high growth companies;
- Adapting the education and skills system to make it more agile and responsive to our economic needs and ambitions;
- Support and incentivise people, and their employers, to invest in skills and training throughout their lives;
- Expand Scotland's available labour pool, at all skills levels;
- Tackle poverty through fairer pay and conditions;
- Eradicate structural barriers to participating in the labour market; and
- Realise the different economic and community assets and strengths of Scotland's regions.

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[2] People with protected characteristics, including sex, ethnicity, disability and age; people with health issues, socio-economic disadvantage and those living in the most deprived communities and rural and island communities.
[3] Equality Budget Advisory Group: recommendations for equality and human rights budgeting - 2021-2026 parliamentary session - gov.scot (www.gov.scot)

To ensure progress towards our vision for 2032, we will restructure the Enterprise and Skills Strategic Board so that it becomes the National Strategy for Economic Transformation (NSET) Delivery Board. The newly structured Board will be co-chaired by the Cabinet Secretary for Finance and the Economy and a figure from the private sector, include worker representatives, and hold to account both the public sector and business partners for the delivery of the strategy.

Detailed delivery plans will be finalised within six months of publication of the strategy, setting out how the projects will be taken forward. Given the importance of tackling structural inequalities, the impacts of the strategy's projects on equality groups will be a key consideration in delivery over the next ten years, supported by the Wellbeing Economy Monitor. We will publish an annual progress report from the NSET Delivery Board, which will include equalities monitoring. We will also ensure that our skills programme emphasises the importance of businesses and skills providers capturing equalities information to understand the diversity of the workforce and the reach of service provision.

3. Scope of the NSET Equality Position Statement

This Equality Position Statement summarises the available evidence regarding equality and inequality in Scotland's economy, which has been used to inform the decisions we have taken in the NSET.

It includes evidence gathered as part of NSET's semi-formal public consultation and stakeholder engagement, and also takes into account available equality evidence in relation to the labour market, Scotland's economy and the impacts of COVID-19. This Position Statement should be read, understood and used together with the NSET Evidence Paper[4].

This Position Statement is not in itself an Equality Impact Assessment (EQIA). Rather, EQIAs will be progressed for the individual policies put in place to deliver NSET as they are developed by policy teams. This document, and the evidence included, sets a framework for conducting EQIAs in future, to ensure that equality and human rights considerations continue to shape the implementation of NSET programmes. The EQIAs that are to be developed will seek to build on the evidence in this Position Statement and the accompanying Evidence Paper, including through engagement with stakeholders and people with lived experience. It will also be essential to review and update EQIAs as policies are implemented and additional data are gathered, so that the potential impacts of policies and actions on people with protected characteristics – both positive and negative – can be fully explored and appropriate mitigating activity taken.

The COVID-19 pandemic has highlighted the importance of equality related data as a means of understanding disproportionate impacts on different groups in society and to inform the Scottish Government's response to those impacts. To address some of the known gaps in equality evidence, in April 2021 we launched the first phase of our Equality Data Improvement Programme (EDIP)[5]. The EDIP will be

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[4] NSET Evidence Paper https://www.gov.scot/isbn/9781804351475
[5] Equality Data Improvement Programme (EDIP) project board - gov.scot (www.gov.scot)

undertaken over 18 months, and it is anticipated it will lead to the publication of a revised equality evidence strategy and a second phase of the programme in late 2022. This work will help us identify gaps in equality evidence and improve our equality evidence base.

In addition, we engaged with equality stakeholders across Scotland to strengthen our understanding of existing inequalities in the economy and how NSET should address them. This included two Equality and Human Rights roundtables in September and November 2021, which were followed by an Equality and Human Rights Roundtable hosted by the Cabinet Secretary for Finance and the Economy in January 2022. Ministerial engagements with the Women's Leadership Centre and the Poverty and Inequality Commission took place in June 2021. We also analysed relevant responses to our semi-formal consultation, such as a joint response from Engender and Close the Gap, and responses from Equate Scotland, CRER, the Scottish Women's Budget Group and the Equality and Human Rights Commission.

While evidence has been gathered focusing primarily on groups with protected characteristics, it is vital to consider our approach through an intersectional lens. People across Scotland will often have a combination of multiple protected characteristics, different socio-economic backgrounds and household incomes, and experience inequalities in relation to health, education and other aspects of their lives. Addressing inequalities must also recognise the regional and rural dimensions, including the high incidences of child poverty in certain regions. It is therefore key to remember both the intersectionality of protected characteristics and the wide range of circumstances that influence the opportunities and barriers people face, including their lived experience of poverty, inequality and/or discrimination. An intersectional, person-centred approach to reading, reviewing and using the evidence from this Position Statement is therefore essential.

4.   Who will be affected

Transforming the economy is a national endeavour and government, public sector, business, trade unions, third sector, local authorities and social enterprises all have a part to play.

The economy impacts everybody, regardless of their age, ethnicity, sex and other characteristics. The actions identified in NSET are intended to drive Scotland's overall economic prosperity to the benefit of all our people. 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. Targeting the actions proposed in NSET towards people with protected characteristics, and taking a person-centred approach to considering the outcomes of policies and actions, can help to address entrenched inequalities and cumulative impacts on people, and particularly those who experience disadvantage.

5.   Wider context

Due to the breadth of NSET's vision to reshape our economy and society, the factors that will influence its delivery are wide-ranging. Some of these factors are explored in more detail below.

5.1   COVID-19

The economic effects of COVID-19 have impacted disproportionately on many who were already experiencing inequalities. As our economy recovers, we must seek to mitigate any 'scarring' impacts that could have damaging long-term implications on the Scottish workforce. In the longer term, we need to improve employment outcomes for people who traditionally face disadvantage and/or are under-represented in the labour market. This particularly applies to people with low socio-economic status, young people, minority ethnic people, women, and people with disabilities. We recognise that there are barriers to participation in the labour market resulting in significant and persistent employment and pay gaps for these groups. Failing to take a targeted person-centred approach to improve outcomes for those specific groups who experience most disadvantage may lead to inequalities being entrenched further.

We recognise that a number of these groups overlap, for example the vast majority of lone parents are young women who live in more deprived areas; and women, disabled people and people from minority ethnic backgrounds are all on average more likely to be low earners. The COVID-19 pandemic has exacerbated some pre-existing inequalities (in relation to income, wealth, living standards, labour market participation, health chances and education outcomes) and highlighted the effect of deprivation as a driving force for multiple inequalities and poor outcomes[6].

In addition, whilst the adverse economic impacts resulting from the COVID-19 pandemic are still unfolding, the pandemic has had a particular impact on reducing resources and resilience among businesses across Scotland, with an increase in corporate debt and some business still continuing to focus on survival. This might have an impact on advancing equality amongst the Scottish workforce and the labour market overall, and we recognise that equality and human rights need to be embedded and factored in from the start as priority principles that drive policy development and implementation.

5.2   EU exit

EU exit has impacted the Scottish economy and, when combined with the adverse impact of the pandemic, this might also negatively affect certain groups of the population[7].

5.3   Just Transition and Climate Justice

The need for rapid global decarbonisation will transform markets, refocus businesses and provide opportunities to create new jobs, businesses and sectors. However, the impacts of climate change and the costs and benefits of the transition to net-zero are not always distributed fairly. The concept of just transition means reducing emissions in a way which is fair and leaves no-one behind[8], a transition in which every region and community shares in the economic and social opportunities it presents. A just transition to net zero is central to NSET's vision, and particular consideration is needed for groups of people who traditionally face disadvantage in Scotland's labour market and economy.

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[6] Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)
[7] Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)
[8] Just Transition Commission Interim Report - gov.scot (webarchive.org.uk)

Over the next ten years, technological change to improve competitiveness and productivity in our economy might impact certain jobs more than others, and the transition to net zero will impact on jobs and distribution channels in the oil and gas industry in particular. Evidence also suggests that climate change needs to be seen as a pervasive economic issue impacting differently on men and women, with women experiencing disproportionate impacts[9].

The transition required to meet the emission reduction targets set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019[10] will represent one of a number of long-term structural changes to the economy and it is imperative we understand and mitigate risks that could arise in relation to regional cohesion, equalities, poverty (including fuel poverty), and a sustainable and inclusive labour market[11]. The experience of the impacts of the transition to net zero and the capacity to adapt will be experienced differently across industries, regions and people. NSET, with its focus on a wellbeing economy, fairer prosperity, new markets and skills programmes, and projects relating to investment in skills and training throughout people's working lives, aims to tackle potential disadvantages that may be experienced by different groups during Scotland's transition to net zero.

6.   What we will do

In its response[12] to the report[13] of the independent Advisory Group on Economic Recovery in August 2020, the Scottish Government committed to strengthen its focus on tackling inequalities and wellbeing to create a socially just economy. It proposed the creation of a Centre of Expertise to work across the economy portfolio, with a purpose to: i) further develop our understanding and evidence base on equality and human rights and the economy; (ii) ensure we identify and capitalise on opportunities to advance equality and human rights consistently across our programmes; and (iii) build wider capacity to embed skills and understanding across the economy portfolio.

NSET's 'Fairer and More Equal Society' Programme of Action confirms the commitment in the Scottish Government's Economic Recovery Implementation Plan, setting out an action to establish a Centre of Expertise in Equality and Human Rights within the Scottish Government, advancing our understanding and embedding equality and human rights within the economic policy-making process.

To deliver NSET's transformational programmes in a way that maximises opportunities to advance equality and human rights, we will take the following actions:

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[9] Women and the Net Zero Economy - A transition toolkit for businesses with global supply chains (publishing.service.gov.uk); Women and Economic Dimensions of Climate Change - ScienceDirect.
[10] Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 (legislation.gov.uk)
[11] Just Transition Commission Interim Report - gov.scot (webarchive.org.uk)
[12] Economic Recovery Implementation Plan: Scottish Government response to the Advisory Group on Economic Recovery - gov.scot (www.gov.scot)
[13] Towards a Robust, Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery - gov.scot (www.gov.scot)

- **Evidence base** – economy analysts are contributing to the Scottish Government Equality Data Improvement Programme, to improve the quality of equality data that is available to use in policy development, implementation and monitoring.
- **Building capacity** – an equality and human rights-needs analysis will be conducted across the Economy portfolio to identify the additional capacity and training required to support policy areas in designing, developing and implementing NSET actions with full consideration for equality and human rights. Economy officials will work with officials in the Directorate for Equality, Inclusion and Human Rights and stakeholders to construct and deliver a training programme to upskill policy officials.
- **Advancing equality and human rights consistently** – building on work to strengthen the evidence base and increase knowledge and understanding of equality and human rights among economic policy officials, full equality impact assessments will be undertaken on the policy commitments and actions outlined in the NSET as they are developed and implemented. This will be informed by the evidence contained in this Position Statement and the Evidence Paper which, alongside the stakeholder engagement and semi-formal consultation, underpinned NSET development.

7.   NSET and the Protected Characteristics

The Scottish Government is mindful of its obligation under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. Section 5 of the Equality Act 2010 places a requirement on public authorities to carry out an EQIA and there is a general duty for listed public authorities to promote equality by advancing equality of opportunity; eliminating unlawful discrimination, harassment and victimisation; and fostering good community relations between persons who share a protected characteristic and those who do not. To deliver this obligation, the Scottish Government promotes a mainstreaming approach to equality to ensure that the impact of its policies, programmes and legislation on groups of people who share a protected characteristic are assessed by all areas and at all levels.

We must consider how the decisions we make meet the three needs of the general equality duty. Where any negative impacts are identified we will seek to address and mitigate them, and we will seek to advance equality through NSET's programmes by ensuring that any new or changing policy is informed and shaped by an Equality Impact Assessment (EQIA).

NSET has been informed by evidence, including evidence concerning economic inequalities and the experiences of people with different protected characteristics in relation to Scotland's economy. A summary of evidence relevant to each protected characteristic is provided below, along with selected consultation responses and information gained through stakeholder engagement. We also list some of the key NSET projects and their underpinning actions that we anticipate will make a significant contribution to addressing the issues identified.

7.1 Age

Older People (Aged 50+)

What the evidence tells us:

- Scotland has an ageing population. Scotland's population is increasing and older people represent a growing share[14]. People are also working into older ages[15].
- There is considerable geographical variation in the age profile of the population, with lowest variation in the cities[16] and a greater proportion of older people in rural and island areas[17]. This uneven age structure can be attributed to falling birth rates, an increase in life expectancy, and migration.
- Older people are among those who have experienced disproportionate health, social and economic impacts as a result of the COVID-19 pandemic[18]. In the year to April 2020-March 2021, the employment rate for people aged 50-64 fell by 2.6 percentage points, the largest decrease of any age group[19].
- During COVID-19, stereotypes about older people in relation to redundancy and caring responsibilities affected employer behaviour[20].
- Despite general increase in internet access at home (42% in 2003; 89% in 2019)[21], digital participation is generally lower among the older population and average internet use decreases with age[22].
- Those aged over 50 face employment barriers in three key areas: communities, access to services and financial security[23]. Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group[24].
- To promote ongoing employment and address employment barriers for older people there is a need for[25]:
  - access to, and increased awareness of, flexible employment opportunities and reduced working hours;
  - financial security (including pension-related information);
  - life changes support and flexible measures addressing issues related to rising retirement age, such as caring responsibilities;
  - ongoing training and education opportunities that are (financially) accessible to older people.

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[14] Annual Population Survey, 2021

[15] DWP, Economic Labour Market Status of Individuals Aged 50 and Over, Trends Over time: September 2021

[16] Scottish Science Advisory Council. Reaction to the UK Government Office for Science Foresight report "Future of an Ageing Population". Edinburgh: Scottish Science Advisory Council

[17] National Records Scotland, Population Projection for Scottish Areas

[18] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)

[19] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)

[20] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)

[21] Scottish household survey 2019: annual report - gov.scot (www.gov.scot)

[22] A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)

[23] A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)

[24] A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)

[25] A Fairer Scotland for Older People: A Framework for Action (www.gov.scot); Older People and Employment in Scotland: research. An examination of attitudes and issues surrounding an older workforce. Scottish Government, 2017

Examples of NSET Programmes of Action and Projects that will promote equality:

Entrepreneurial People and Culture
Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, through providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education.

Project 4: Build an entrepreneurial mindset in every sector of our economy. For example, to proactively present business start-up opportunities to those at risk of redundancy through the PACE programme.

Productive Businesses and Regions
Project 8: Improve connectivity infrastructure and digital adoption across the economy. For example, to create better transport connectivity with sustainable, smart and cleaner transport options; and to provide an efficient and resilient digital infrastructure, including continued investment in improved broadband, fibre and mobile coverage.

Project 9: Upskill business and public sector leaders, pioneering new approaches to driving productivity improvements. For example, to launch the Centre for Workplace Transformation in 2022 to support experimentation in ways of working post-pandemic to deliver good jobs, recognising the importance of the way workplaces operate and best use of employees' skills to enhance business performance.

Project 10: Realise the potential of the different economic and community assets and strengths of Scotland's regions. For example, working with Regional Economic Partnerships to deliver strong regional economic policies and tailor interventions to evidenced regional strengths and opportunities, and introducing Community Wealth Building legislation that builds on the successes and learnings of all of the Scottish Government community wealth building local and regional pilot areas in urban and rural Scotland.

Skilled Workforce
Project 11: Adapt the education and skills system so that it is more agile and responsive to our economic needs and ambitions. For example, to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive; to develop more, shorter industry facing courses; and to implement the next phase of the Green Jobs Workforce Academy and launch a new skills guarantee for workers in carbon intensive industries, providing career guidance and training opportunities, enabling people to seek employment in other sectors.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a lifetime upskilling and retraining offer that is more straightforward to access for people and business; to target more skills investment and support to working age people in poverty or at risk of moving into poverty; to work with learners and delivery partners to understand the steps to take to improve training provision, ensuring that access to

training for more marginalised groups is made as easy as possible, including in areas such as training at times that suit people with caring responsibilities, with additional support needs or that fit around current jobs; to work with employers and unions to develop a new Skills Pact and improve investment in skills and training, ensuring provision better meets the needs of both employers and employees.

Project 13: Expand Scotland's available labour pool, at all skills levels. For example, to systematically address Scotland's labour market inactivity challenges through assessing 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.

A Fairer and More Equal Society
Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality; and to engage with employers and trade unions in sectors where low pay and precarious work can be most prevalent to embed fair work practices and achieve higher standards of pay, better security of work, and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to simplify the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market and help them thrive and sustain employment for the long term; to take further steps to remove barriers to employment and career advancement for disabled people; and, building on the principles of the Young Person's Guarantee, develop an all age guarantee of support for those most disadvantaged in the labour market.

Young People
What the evidence tells us:
- Following the 2008 recession, there was a substantial decrease in the employment rate for people aged 16-24 and the COVID-19 pandemic has also adversely impacted this age group[26]. The employment rate for young people had been gradually increasing since April 2013-March 2014 but has decreased significantly since April 2018-March 2019[27].
- Young people are especially vulnerable to unemployment and long-term employment 'scarring'[28]. They are more likely to earn less than the real Living

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[26] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[27] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[28] 'Scarring' refers to the idea that people could face reduced pay and reduced employment prospects even after the economy has recovered.

Wage[29], and are more likely to be financially vulnerable and in unmanageable debt[30].

- Young people are more likely to work in sectors hardest-hit by COVID-19 such as retail, leisure and entertainment[31], and they are less likely to be in contractually secure employment[32].
- With the arrival of the pandemic, young people in Scotland aged 16-24 experienced the largest increase in unemployment rate across all age groups, rising by 3.6 percentage points in the year to April 2020 - March 2021, taking the rate to 12.5%[33].
- In 2020/21, the employment rate for young people aged 16-24 was 52.8%, around 25 percentage points lower than the employment rate for the overall (16-64 years) population in Scotland[34]. This is partly due to greater education participation for this group[35].
- 12.4% of young people aged 16-24 were not in employment, education or training (NEET) during the period from April 2020 to March 2021[36]. Whilst this is an increase of 1.9 percentage points from the previous year, it represents a decrease compared to the peak period following the 2008 recession[37].
- Whilst historically decreasing across all age groups, from April 2020 to March 2021, the underemployment rate[38] was highest for young people (double the national average[39]).
- There has been significant improvement in business start-ups in the younger age groups. Scotland's Total Early-stage Entrepreneurial Activity (TEA) rate (2018-2020 average) for 18-29 age group (9.7%) is higher compared to UK nations[40]. It remains unclear whether this is caused by young people's interest in pursuing an entrepreneurial career or by a lack of secure, well-paid employment opportunities.
- Care experienced young people and care leavers are more likely to face challenges in the labour market than young people as a whole. They are over three times more likely not to have a job by the age of 26 and earn incomes

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[29] Annual survey of hours and earnings: 2021 - gov.scot (www.gov.scot)
[30] Wealth and assets: analysis 2006 to 2018 - gov.scot (www.gov.scot)
[31] UK_Inequality_Briefing.pdf (abiadams.com); Sector shutdowns during the coronavirus crisis: which workers are most exposed? - Institute For Fiscal Studies - IFS
[32] EMP17: People in employment on zero hours contracts - Office for National Statistics (ons.gov.uk); Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[33] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[34] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[35] NSET Evidence Paper https://www.gov.scot/isbn/9781804351475
[36] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[37] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[38] Underemployment refers to those who are in work but would prefer to work more hours in their current job (at their basic rate of pay), in an additional job or in a new job with longer hours to replace their current job. This provides a measure of underutilisation of labour.
[39] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[40] NSET Evidence Paper https://www.gov.scot/isbn/9781804351475. The equivalent TEA rates for other regions for this age group are: England (9.4%), Wales (9.3%) and Northern Ireland (7.6%).

which are 27% lower on average than their non-care experienced peers. They are also over one and a half times more likely to experience financial difficulties and are nearly twice as likely to have no internet access at home[41].

Stakeholder feedback
Stakeholders have highlighted that workplaces upholding and implementing the principles of Fair Work are particularly important to ensuring that young people reach their full potential in the labour market, and called for a long-term commitment to the Developing Young Workforce (DYW) scheme for the length of the NSET.

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture
Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, to promote the best available project-based entrepreneurial learning across the school and post-16 education curricula by building 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 as inspirational role models and mentors for young people, with initial focus of this initiative on schools in areas of multiple deprivation; to embed entrepreneurship in the Young Person's Guarantee; and to adapt and review Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focussing in particular on providing opportunities for under-represented groups and on specific skills, such as digital.

Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, to widen access to entrepreneurship by providing a clear entry point for very early stage founders, including those leaving formal education and supporting them to conceive new ideas, start companies, design and develop products and support early tests of market traction; and to provide access to support programmes from amongst the most under-represented groups, such as those without qualifications at further or higher education.

Productive Businesses and Regions
Project 8: Improve connectivity infrastructure and digital adoption across the economy. For example, to provide an efficient and resilient digital infrastructure which includes continued investment in improved broadband, fibre and mobile coverage for residential and business premises.

Skilled Workforce
Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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.

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[41] Follow-the-money.pdf (carereview.scot)

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to target more skills investment and support to working age people in poverty or at risk of moving into poverty.

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, we will systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

A Fairer and More Equal Society

Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality; to deliver on the commitment to require payment of the real Living Wage in Scottish Government contracts from October 2021; and to 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 embed fair work practices and achieve higher standards of pay, better security of work and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to simplify the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market and help them thrive and sustain employment for the long term; to take further steps to remove barriers to employment and career advancement for disabled people, women, those with care experience and people from minority ethnic groups; and, building on the principles of the Young Person's Guarantee, to develop 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[42] at risk of child poverty.

7.2   Disability

What the evidence tells us:

Employment

- It is estimated that around one fifth of Scotland's working-age population is disabled[43]. The prevalence of disability increases with age[44].

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[42] Our Tackling Child Poverty Delivery Plan has identified six priority family types at higher risk of poverty: Lone parent families, the large majority of which are headed by women; Families which include a disabled adult or child; Larger families; Minority ethnic families; Families with a child under one year old; Families where the mother is under 25 years of age.

[43] Disabled people in the labour market in Scotland - gov.scot (www.gov.scot)

[44] A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)

- People with disabilities are less likely to be in employment than non-disabled people and earn less on average than non-disabled people[45].
- The employment rate for people with disabilities was estimated at 47.4% (April 2020-March 2021), significantly lower than the employment rate for non-disabled people (80.2%)[46].
- The disability employment gap in Scotland[47] narrowed in the pre-pandemic period and over the latest year (to Oct 2020 – Sep 2021), but remains large at an estimated 31.0 percentage points[48].
- People with disabilities are employed across all occupation types and sectors of Scotland's economy, however they are more likely to work in lower paid occupations[49].
- Even pre-pandemic, compared to non-disabled people, people with disabilities were less likely to have access to fair work[50]. They are also more likely to be underemployed than non-disabled people[51].
- Available data also indicates that the proportion of disabled sole traders is relatively low in Scotland. In 2014, only 9% of SMEs (between 1 and 249 employees) in Scotland had an owner with a disability or long-standing illness, representing a decrease of 2% since 2012[52].
- Employment barriers for people and parents with disabilities include health needs, caring responsibilities, unaffordable childcare, transport, inaccessible job adverts and application processes, workplace discrimination, lack of flexible working and adequate support and effects on benefits.
- To address employment barriers for people with disabilities and promote ongoing employment for those able to undertake paid work, as well as enabling people with disabilities to work more hours and take on roles that are better paid or more suited to their skills, there is a need for a greater availability of flexible working and remote working[53].

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[45] Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot (www.gov.scot)

[46] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)

[47] The disability employment gap is the difference between the employment rate of Equality Act disabled people (as defined by the Equality Act 2010) and the employment rate of non-disabled people.

[48] Labour market monthly briefing: January 2022 - gov.scot (www.gov.scot)

[49] Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot (www.gov.scot)

[50] Work-and-Wellbeing-Discussion-Paper-1.pdf (d1ssu070pg2v9i.cloudfront.net); Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)

[51] Disabled people in the labour market in Scotland - gov.scot (www.gov.scot)

[52] Small Business Survey reports - GOV.UK (www.gov.uk). Sole traders are defined as businesses with only one owner. This figure includes small and medium enterprises with employees only (i.e. between 1 and 249 employees).

[53] How flexible hiring could improve business performance and living standards | JRF; If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)

Parents with disabilities
- Parents with disabilities are less likely to be employed compared to non-disabled parents, with those in employment tending to work fewer hours[54]. Mothers with disabilities are particularly unlikely to work full-time[55].
- Children in households with a person with disabilities are more likely to live in poverty, and being in work sometimes does not prevent poverty[56].

Education and training
- People with disabilities are more likely to have no or low qualifications compared to non-disabled people and are less likely than non-disabled people to have qualifications at degree level or above[57]. Even with a degree or higher qualification, people with disabilities are still less likely to be employed than non-disabled people without one[58].
- Pupils with disabilities have lower attendance levels at school and are more likely to be excluded[59]. Young people with disabilities are twice as likely not to be in a positive destination (education, employment or training) six months after leaving school, and three times as likely not to be in a positive destination by the age of 19[60].

COVID-19 impact
- The COVID-19 pandemic has posed additional barriers on disabled people's employment and exacerbated pre-existing barriers for some[61], partly due to people with disabilities being more likely to work in industries hardest hit by the pandemic such as hospitality and distribution[62].
- At UK level, there is evidence to suggest that employees with disabilities were more likely to be made redundant during the pandemic than non-disabled employees[63]. Disabled employees were also more likely to have experienced a

[54] Tackling Child Poverty Delivery Plan: Third Year Progress Report (2020-21): Annex B: Child Poverty in Families with a Disabled Adult or Child (www.gov.scot)
[55] Tackling Child Poverty Delivery Plan: Third Year Progress Report (2020-21): Annex B: Child Poverty in Families with a Disabled Adult or Child (www.gov.scot)
[56] not-now-social-renewal-advisory-board-report.pdf (scotland.gov.uk); Economic Impact of Coronavirus Led Labour Market Effects on Individuals and Households; Tackling child poverty: third year progress report 2020-2021 - gov.scot (www.gov.scot)
[57] Disabled people in the labour market in Scotland - gov.scot (www.gov.scot)
[58] Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot (www.gov.scot)
[59] Tackling child poverty: third year progress report 2020-2021 - gov.scot (www.gov.scot)
[60] Summary Statistics for Attainment and Initial Leaver Destinations, No. 3: 2021 Edition - gov.scot (www.gov.scot); If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[61] Tackling child poverty: third year progress report 2020-2021 - gov.scot (www.gov.scot)
[62] Locked out of the labour market (leonardcheshire.org); An unequal crisis - Citizens Advice; Equality Advisory and Support Service (equalityadvisoryservice.com); Poverty and Covid-19 - Social Metrics Commission; The COVID Decade: understanding the long-term societal impacts of COVID-19 | The British Academy; Disabled mothers three times more likely to have lost work during the pandemic - Womens Budget Group (wbg.org.uk); Poverty in Scotland 2020 | JRF; Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot (www.gov.scot); Which jobs are most likely to have seen a drop in pay during the pandemic? - Office for National Statistics (ons.gov.uk); Disability+Infographic+16-64+Final+Version+-+PDF.pdf (www.gov.scot) | Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (scotland.gov.uk)
[63] Coronavirus and redundancies in the UK labour market - Office for National Statistics (ons.gov.uk)

decrease in hours worked, and were more likely to report being asked to take leave - which includes unpaid leave[64].

- Analysis by the Joseph Rowntree Foundation found that around 56% of disabled people in the UK who were employed at the start of 2020 had reported a loss of earnings by the middle of the year (2 percentage points more than non-disabled people)[65]. The analysis also found that disabled people were also more likely to report they had zero earnings by mid-year[66].
- Research published by Leonard Cheshire suggests that the economic impacts of the pandemic are expected to continue to have an adverse effect on access to employment and financial security of people with disabilities[67].

Stakeholder feedback

Stakeholders highlighted that employers need to consider and offer a range of accessible jobs and adjustments that will meet the individual needs of (young) disabled people in the workforce. It was also suggested that the delivery of new, good, green jobs should be used to address the disability employment gap and be made available to people with disabilities and also other underrepresented groups. Stakeholders also emphasised the need to recognise the importance and economic value of informal/unpaid care and the need for the care sector to be reflected as a priority and strategic sector within the economy.

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture

Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, to 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 – with an initial focus on schools in areas of multiple deprivation; to adapt and review Scotland's apprenticeship system; and to embed entrepreneurship in the Young Person's Guarantee.

Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, to set targets and focus on providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would include the offer of financial support for those who are unable to afford time out from a full-time job or caring responsibilities to develop ideas. An early priority will be to deliver our commitment to review how we support more women into entrepreneurship.

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[64] Coronavirus and the social impacts on disabled people in Great Britain: September 2020 (ons.gov.uk)
[65] UK Poverty 2020/21 | JRF
[66] UK Poverty 2020/21 | JRF
[67] Locked out of the labour market (leonardcheshire.org)

Project 4: Build an entrepreneurial mindset in every sector of our economy. For example, to pro-actively promote business start-up opportunities to those at risk of redundancy through the PACE programme.

Productive Businesses and Regions
Project 8: Improve connectivity infrastructure and digital adoption across the economy. For example, to create better transport connectivity with sustainable, smart and cleaner transport options; and to provide an efficient and resilient digital infrastructure. This includes continued investment in improved broadband, fibre and mobile coverage for residential and business premises.

Project 9: Upskill business and public sector leaders, pioneering new approaches to driving productivity improvements. For example, to launch the Centre for Workplace Transformation in 2022 to support experimentation in ways of working post-pandemic to deliver good jobs, recognising the importance of the way workplaces operate and best use of employees' skills to enhance business performance.

Skilled Workforce
Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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, supporting post-school learners to access learning later in life and around other commitments; to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a lifetime upskilling and retraining offer that is more straightforward for people and business to access; and to target more skills investment and support to working age people in poverty or at risk of moving into poverty (particularly the six priority family types) – this will be done by working 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.

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, we will systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

A Fairer and More Equal Society
Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend

Fair Work conditionality; to deliver on the commitment to require payment of the real Living Wage in Scottish Government contracts from October 2021; and to 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 embed fair work practices and achieve higher standards of pay, better security of work, and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to take further steps to remove barriers to employment and career advancement for disabled people, which will be set out in the forthcoming refreshed 'A Fairer Scotland for Disabled People: Employment Action Plan'; building on the principles of the Young Person's Guarantee, develop an all age guarantee of support for those most disadvantaged in the labour market; to deliver an aligned and integrated offer of support for those seeking to move towards, into or progressing within the labour market, ensuring access to the advice and services including housing, health, affordable and flexible childcare and transport offers; to simplify the employability system by implementing No One Left Behind; to set 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 2017.

7.3   Gender Reassignment
What the evidence tells us:
- Trans people face a range of disadvantages and vulnerabilities in their everyday life and in employment[68].
- The lives of many trans people at work remain difficult, and they face discrimination, bullying and harassment at every stage of employment, including during recruitment processes[69].
- Some trans people find getting into work difficult or challenging, with prejudice and stereotyping having negative impacts on their employment prospects[70].
- More than half of trans people (51%) have deliberately hidden or disguised their identity at work for fear of discrimination and one in eight trans employees (12%) has been physically attacked by a colleague or customer in the last 12 months[71].
- LGBT+ employees experience more job dissatisfaction and less psychological safety and are more likely to report that work has a negative impact on their (mental) health[72]. Trans people are less likely to have had a paid job in the last 12 months (65% of trans women and 57% of trans men had one)[73].
- Trans and non-binary workers are particularly under-represented in the workforce[74] overall.

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[68] Stonewall | LGBT in Britain - Trans Report (2017) (stonewallscotland.org.uk); Trans People and Work in Scotland (lgbthealth.org.uk)
[69] Inclusion at work: Perspectives on LGBT+ working lives (cipd.co.uk); National LGBT Survey: Summary report - GOV.UK (www.gov.uk); Stonewall | LGBT in Britain - Trans Report (2017) (stonewallscotland.org.uk); trans_mh_study.pdf (scottishtrans.org); Trans-People-and-Work-Executive-Summary-LGBT-Health-Aug-2021-FINAL.pdf (lgbthealth.org.uk).
[70] Trans People and Work in Scotland (lgbthealth.org.uk)
[71] trans_mh_study.pdf (scottishtrans.org)
[72] Inclusion at work: executive summary (cipd.co.uk)
[73] National LGBT Survey: Summary report - GOV.UK (www.gov.uk)
[74] (PDF) Listen carefully: transgender voices in the workplace (researchgate.net)

- Barriers and challenges to the inclusion of trans and intersex employees include lack of knowledge by employers and fellow employees, insufficient line manager confidence, stigma, practical considerations (e.g. toilet facilities, uniforms), lack of support and flexible policies[75]. Barriers to accessing employment include fear of prejudice, application forms excluding non-binary identities, difficulties obtaining references and proof of qualification matching gender and new name, lack of awareness and transphobia from interview panels and feeling unable to be open about trans identity when applying for jobs[76].
- Trans students experience harassment and discrimination at HE institutions and for some this has a significant negative impact on their studies, future plans and skills.

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture
Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, to 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 – with an initial focus on schools in areas of multiple deprivation; and to adapt and review Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focussing in particular on providing opportunities for women and other under-represented groups and on specific skills, such as digital.

Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, to set targets and focus on providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would include the offer of financial support for those who are unable to afford time out from a full-time job or caring responsibilities to develop ideas.

Skilled Workforce
Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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, supporting post-school learners to access learning later in life and around other commitments; to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a more

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[75] Supporting trans employees in the workplace | Acas; Trans People and Work in Scotland (lgbthealth.org.uk)
[76] Trans People and Work in Scotland (lgbthealth.org.uk)

straightforward lifetime upskilling and retraining offer; to ensure 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.

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, to systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

Fairer and More Equal Society
Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality.

Project 15: Eradicate structural barriers to participating in the labour market. For example, building on the principles of the Young Person's Guarantee, develop an all age guarantee of support for those most disadvantaged in the labour market; and to deliver an aligned and integrated offer of support for those seeking to move towards, into or progressing within the labour market, ensuring access to the advice and services including housing and health.

7.4   Marriage and Civil Partnership
What the evidence tells us:
- Relevant evidence available for this group is relatively limited, however the available evidence demonstrates links between poverty and income inequality in Scotland based on marital status.
- Relative poverty rates are highest for single, divorced and separated adults, and lowest for married adults. In 2017-20[77], the relative poverty rate after housing costs was highest for single adults (27%) and divorced (or separated) adults (27%). Married adults were the least likely to be in poverty (13%), and widowed and cohabiting adults were in the middle (19% and 19%).
- Poverty rates among widowed and divorced/separated adults largely decreased over the long term, whereas the trend for singles, cohabiting and married adults was broadly flat over time[78].
- There are clear gender impacts associated with housing wealth following divorce and household dissolution. Divorced men are more likely to re-enter home ownership and less likely to suffer prolonged financial hardship in the long term than women[79]. In the event of separation or the loss of a partner, women can be especially vulnerable to entering poverty.

[77] Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)
[78] Poverty and Income Inequality in Scotland 2016-19 - gov.scot (www.gov.scot)
[79] Scottish household survey 2018: annual report - gov.scot (www.gov.scot)

- Lone parents, the majority of whom are women, are more likely to be in poverty (38% of children in lone parent families were in relative poverty in 2017-20 vs 24% of all children). In addition, 40% of children in lone parent households in relative poverty also have a person with disabilities at home – amplifying barriers to overcome poverty[80]. Lone parents also struggle to receive the Child Maintenance that they are entitled to from the non-resident parent[81].

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture
Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, to 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 – with an initial focus on schools in areas of multiple deprivation.

Skilled Workforce
Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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, supporting post-school learners to access learning later in life and around other commitments; to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a more straightforward lifetime upskilling and retraining offer; and to target more skills investment and support to working age people in poverty or at risk of moving into poverty (particularly the six priority family types[1]). 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.

A Fairer and More Equal Society
Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality; and to engage with employers and trade unions in sectors where low pay and precarious work can be most prevalent to embed Fair Work practices and achieve higher standards of pay, better security of work, and greater union representation.

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[80] Tackling child poverty priority families overview - gov.scot (www.gov.scot)
[81] Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)

Project 15: Eradicate structural barriers to participating in the labour market. For example simplifying the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market and help them thrive and sustain employment for the long term.

7.5   Pregnancy and Maternity

What the evidence tells us:

- The relationship between lack of material resources and poor health, including during pregnancy, is well established, and the birth of a new baby can result in those close to the poverty line falling below it[82]. Pregnancy brings a period of sudden increased financial pressure and sustained money worries have been reported following a birth of a baby[83], increasing a risk of child poverty[84].

- Households with children aged 0-4 are at high risk of poverty[85]. The risk, however, is much higher when the youngest child is aged less than one year old. Families with a new child are more likely to enter poverty[86].

- Motherhood has a significant impact on the number of hours that some mothers can work which then affects their pay and income relative to non-mothers and men[87]. Mothers suffer a big long-term pay penalty from part-time working, on average earning about 30% less per hour than similarly educated fathers[88]. Some of this wage gap can be attributed to mothers being more likely to work part-time, or taking time out of the labour market altogether.

- Young mothers tend to have lower educational levels compared to older mothers when their first child is born[89], which impacts on subsequent career prospects. They are less likely to be in work when their first child is 10 months old, with education being found to be a key predictor of later employment[90]. When in work, they are more likely to earn a low income and more likely to receive social security entitlements[91].

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[82] Project Title (gcph.co.uk)

[83] Project Title (gcph.co.uk)

[84] The issue of child poverty is discussed in more detail in the NSET Evidence Paper, however, we recognise that there are instances during pregnancy and early months of maternity that are likely to drive child poverty further. An intersectional approach should therefore be taken to consider the relationship between child poverty and pregnancy and maternity.

[85] Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot)

[86] Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot (www.gov.scot)

[87] Microsoft Word - The Motherhood Pay Penalty key findings in new template RS SH SB.docx (tuc.org.uk); Mothers suffer big long-term pay penalty from part-time working - Institute For Fiscal Studies - IFS; wcms_371804.pdf (europa.eu).

[88] BN223.pdf (ifs.org.uk)

[89] Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot)

[90] Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot)

[91] Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot)

- Even before the pandemic, lone parents, the majority of whom are women, were more likely to be in unmanageable debt and/or financially vulnerable and more likely to live in deprived areas[92].
- Single mothers with low qualifications are particularly concentrated in sectors most impacted by the pandemic[93]. Households with only one earner are more vulnerable to the impacts of earnings reductions or job losses and lone parents may be less likely to have someone to share childcare with, making participation in paid work challenging[94].
- Compared with fathers, mothers spend less time in paid work and more time on household responsibilities, and the differences in work patterns between mothers and fathers have grown since before the pandemic[95].
- Since the start of the pandemic, mothers are more likely than fathers to have left or lost their job, or to have been furloughed[96], and spent on average two hours longer per day caring for children during lockdown compared to fathers[97].

Stakeholder feedback
Some of the evidence gathered above was reflected in the response to the NSET public consultation and stakeholder engagement. Stakeholders emphasised the importance of unpaid care and the care sector for gender equality, and more broadly as part of the foundation economy in many communities across Scotland. Stakeholders called for the care sector to be reflected in the strategy as a priority and strategic sector, and, with woman being more likely to take unpaid leave to care for children than men, they highlighted that an action on affordable childcare was critical for a gender-equal economic recovery.

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture
Project 1: Embed First Rate Entrepreneurial Learning Across the Education and Skills Systems. For example, to 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 – with an initial focus on schools in areas of multiple deprivation; and to adapt and review Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focussing in particular on providing opportunities for women and other under-represented groups and on specific skills, such as digital.

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[92] Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (scotland.gov.uk); Scottish household survey 2018: annual report - gov.scot (www.gov.scot); Scottish household survey 2018: annual report - gov.scot (www.gov.scot).

[93] not-now-social-renewal-advisory-board-report.pdf (scotland.gov.uk)

[94] Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot); Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (scotland.gov.uk)

[95] 'Interrupted' is defined as doing at least one work and one non-work activity during an hour-long slot.

[96] Microsoft Word - BN290-Mothers-and-fathers-balancing-work-and-life-under-lockdown.docx (ifs.org.uk)

[97] Women doing more childcare under lockdown but men more likely to feel their jobs are suffering (kcl.ac.uk)

Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, to set targets and focus on providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would include the offer of financial support for those who are unable to afford time out from a full-time job or caring responsibilities to develop ideas. An early priority will be action to scope and deliver our new Women's Business Centre.

Project 4: Build an entrepreneurial mindset in every sector of our economy. For example, to pro-actively promote business start-up opportunities to those at risk of redundancy through the PACE programme.

Productive Businesses and Regions
Project 8: Improve connectivity infrastructure and digital adoption across the economy. For example, to create better transport connectivity with sustainable, smart and cleaner transport options; and to provide an efficient and resilient digital infrastructure. This includes continued investment in improved broadband, fibre and mobile coverage for residential and business premises.

Project 9: Upskill business and public sector leaders, pioneering new approaches to driving productivity improvements. For example, to launch the Centre for Workplace Transformation in 2022 to support experimentation in ways of working post-pandemic to deliver good jobs, recognising the importance of the way workplaces operate and best use of employees' skills to enhance business performance.

Skilled Workforce
Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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, supporting post-school learners to access learning later in life and around other commitments; to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a more straightforward lifetime upskilling and retraining offer; and to target 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. We will also develop a new Skills Pact to underpin our commitment to strong partnership working with both employers and unions. The Pact will build on the collaborative approach we took with business to focus on action we can take together to improve investment in skills and training and ensure provision better meets the needs of employers and employees. As part of this, we will work collaboratively with

employers and unions to explore how we can increase employer investment in upskilling and retraining.

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, to systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

A Fairer and More Equal Society

Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality; to deliver on the commitment to require payment of the real Living Wage in Scottish Government contracts from October 2021; and to 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 embed Fair Work practices and achieve higher standards of pay, better security of work, and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to set 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 2017; to simplify the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market and help them thrive and sustain employment for the long term; to take further steps to remove barriers to employment and career advancement for women that will be set out in the forthcoming Gender Pay Gap Action plan; and, building on the principles of the Young Person's Guarantee, to develop 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.

7.6   Race and Ethnicity

What the evidence tells us:
- Compared with the UK as a whole, Scotland's population is less ethnically diverse and its minority ethnic population is less likely to be born in the UK[98].

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[98] Annual Population Survey, ONS

- Compared with the white population, minority ethnic groups are more likely to work in accommodation and food services[99], be more likely to earn low income[100] and less likely to have savings[101].
- Poverty rates for people in minority ethnic households are higher than for the general population in Scotland and minority ethnic people are more likely to be in relative poverty after housing costs[102]. Minority ethnic families are also most at risk of child poverty (38% of children in minority ethnic families were in relative poverty in 2017-20 compared to 24% of all children in Scotland) and families from some minority ethnic groups are more likely to have three or more children, putting them at higher risk of child poverty[103].
- Some minority ethnic households are also more likely to live in the most deprived areas in Scotland compared to white Scottish/British households[104].
- People with multiple protected characteristics (e.g. someone from a minority ethnic group who also has a disability) can face heightened barriers to employment. For example, 2019 data shows that a non-disabled white person is more than twice as likely to be in employment than a person with a disability from a minority ethnic group[105].
- While the UK's minority ethnic employment gap[106] has been narrowing consistently over time, there is less evidence of that same progress in Scotland[107]. However, this may also be partly due to small survey samples in Scotland leading to greater data volatility in Scotland than in the UK.
- The employment rate for people from minority ethnic groups in Scotland is consistently lower than the employment rate for white people[108]. The employment rate for the minority ethnic[109] population aged 16 to 64 was estimated at 65.1% during the period April 2020-March 2021[110], significantly lower than the rate for the white population (73.2%) – an employment rate gap of 8.2 percentage points.
- The minority ethnic employment gap is much larger for women than men. In Scotland, the minority ethnic employment gap was estimated at approximately 13.2 percentage points for women and at 2.2 percentage points for men (April 2020 - March 2021)[111]. The much larger gap for women than men may be partly attributed to cultural factors for particular ethnic groups.

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[99] Scotland's Labour Market: People, Places and Regions – background tables and charts - gov.scot (www.gov.scot)
[100] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[101] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[102] Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)
[103] Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)
[104] Housing needs of minority ethnic groups: Evidence review
[105] fFairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot (www.gov.scot)
[106] The Minority Ethnic Employment Gap is the difference between the employment rate of white people and the employment rate of minority ethnic people.
[107] Annual Population Survey, ONS, 2004-2020
[108] 'White' includes 'White Polish' and 'White Gypsy' who also experience disadvantage.
[109] 'Minority ethnic' includes all categories outside the white population.
[110] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[111] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)

- Analysis by ethnicity shows a TEA[112] rate of almost 13% amongst Scotland's non-white population, which is higher than for the general population. For some, however, entrepreneurial activity may be partly undertaken as a result of discrimination in the labour market.
- Minority ethnic workers are more likely to work in some of the sectors most impacted by the pandemic[113] and may be at greater risk of the 'scarring' effects of unemployment[114]. Over a fifth of UK minority ethnic workers who were furloughed during the first lockdown in 2020 were no longer working by September 2020, more than double the overall rate[115].
- The employment of minority ethnic people was disproportionately impacted by previous economic recessions, with profound implications for living standards and overall income and wealth equality[116].

Stakeholder feedback
Stakeholders highlighted that there is a lack of representation of ethnic minorities in policy-making processes and that black and minority ethnic business owners, whilst very seldom included, have a substantial footprint across Scotland. They emphasised that diversity needs to be harnessed across Scotland's business community and that diversity must be valued in order to drive innovation and deliver revenue growth. Stakeholders also emphasised that barriers to employment for ethnic minority groups in Scotland must be considered and addressed.

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture
Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, to 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 – with an initial focus on schools in areas of multiple deprivation; and to adapt and review Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focussing in particular on providing opportunities for women and other under-represented groups and on specific skills, such as digital.

Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, to set targets and focus on providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would include the offer of financial support for those who are unable to afford time out from

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[112] Total Early-stage Entrepreneurial Activity
[113] Economic Impact of Coronavirus Led Labour Market Effects on Individuals and Households, Communities Analysis Division, Scottish Government, April 2020; Annual Population Survey, ONS, 2020.
[114] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[115] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[116] Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)

a full-time job or caring responsibilities to develop ideas. An early priority will be action to scope and deliver our new Women's Business Centre.

Project 4: Build an entrepreneurial mindset in every sector of our economy. For example, to pro-actively promote business start-up opportunities to those at risk of redundancy through the PACE programme.

Productive Businesses and Regions
Project 8: Improve connectivity infrastructure and digital adoption across the economy. For example, to create better transport connectivity with sustainable, smart and cleaner transport options; and to provide an efficient and resilient digital infrastructure. This includes continued investment in improved broadband, fibre and mobile coverage for residential and business premises.

Project 9: Upskill business and public sector leaders, pioneering new approaches to driving productivity improvements. For example, to launch the Centre for Workplace Transformation in 2022 to support experimentation in ways of working post-pandemic to deliver good jobs, recognising the importance of the way workplaces operate and best use of employees' skills to enhance business performance.

Skilled Workforce
Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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, supporting post-school learners to access learning later in life and around other commitments; to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a more straightforward lifetime upskilling and retraining offer; and to target 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.

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, to systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

A Fairer and More Equal Society

Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality; to deliver on the commitment to require payment of the real Living Wage in Scottish Government contracts from October 2021; and to 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 embed Fair Work practices and achieve higher standards of pay, better security of work, and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to set 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 2017; to simplify the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market and help them thrive and sustain employment for the long term - in this way we will ensure that individuals and families have access to the advice and services they need to thrive, including housing, health, affordable and flexible childcare and transport offers; and to take further steps to remove barriers to employment and career advancement for disabled people, women, those with care experience and people from minority ethnic groups that will be set 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; and, building on the principles of the Young Person's Guarantee, to develop 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.

7.7   Religion or Belief
What the evidence tells us:
- Relatively limited evidence is available for this group.
- In 2015-20[117], relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%).
- There is variation in employment rates by religion. Since 2004, the employment rate of Muslims in Scotland has been consistently lower than the employment rate for the population at large (58.1% vs 73.4% in 2020)[118].
- Whilst estimates are less precise for other religions due to small sample sizes, the data does suggest that the employment outcomes for those who are Jewish, Sikh or Buddhist in Scotland lag behind the overall population[119].

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[117] Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)
[118] Scotland's Labour Market: People, Places and Regions – background tables and charts - gov.scot (www.gov.scot)
[119] To note, sample sizes for these religious groups are small, resulting in less precise estimates.
Scotland's Labour Market: People, Places and Regions – background tables and charts - gov.scot (www.gov.scot)

Examples of NSET Programmes of Actions and Projects that will advance equality:

Productive Businesses and Regions
Project 9: Upskill business and public sector leaders, pioneering new approaches to driving productivity improvements. For example, to launch the Centre for Workplace Transformation in 2022 to support experimentation in ways of working post-pandemic to deliver good jobs, recognising the importance of the way workplaces operate and best use of employees' skills to enhance business performance.

Skilled Workforce
Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a more straightforward lifetime upskilling and retraining offer; and to target more skills investment and support to working age people in poverty or at risk of moving into poverty (particularly the six priority family types).

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, to systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

A Fairer and More Equal Society
Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and to further extend Fair Work conditionality; to deliver on the commitment to require payment of the real Living Wage in Scottish Government contracts from October 2021; and to work with employers and trade unions in sectors where low pay and precarious work can be most prevalent to embed Fair Work practices and achieve higher standards of pay, better security of work, and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to simplify the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market; and to take further steps to remove barriers to employment and career advancement for women and people from minority ethnic groups that will be set out in the forthcoming refreshed Gender Pay Gap Action plan and a new ethnicity pay gap strategy and plan; and, building on the principles of the Young Person's Guarantee, to develop an all age guarantee of support for those most disadvantaged in the labour market.

7.8 Sex

What the evidence tells us:

- Whilst substantial progress has been made over the past 20 years in Scotland in reducing both the employment rate gap and pay gap between men and women[120], outcomes for women still lag behind men.

- Women experience a range of barriers in the labour market that lead them to be paid less on average than men, drive aspects of the gender pay gap and contribute to the existence of (child) poverty[121]. These relate to the type of job they are more likely to do (job selection), how much these jobs pay (job valuation) and whether they can move into higher-paid jobs (job progression)[122]. Age also presents a barrier to women's employment – for example, women transitioning through the menopause while in work can require additional support[123].

- Women (and particularly ethnic minority women)[124] are more likely to be in insecure work[125] and are overrepresented in sectors referred to as 5 C's of cashiering (retail), care, catering, cleaning and clerical. These sectors have historically low pay, low progression and low status but can often provide more flexibility to allow women to undertake caring responsibilities[126].

- While the gender gaps in participation in the paid labour market has narrowed over time, women are still less likely to participate, and when they do participate, it is more likely to be on a part-time basis[127] and at lower management levels[128]. The reasons for this include, but are not limited to, education (and expectations of traditionally male and female subjects), women's ability to take jobs and their limited career options, and availability of suitable jobs with part-time and flexible working only available in certain occupations or sectors[129].

- Women tend to do jobs that are low-paid compared to those jobs undertaken by men. Gender segregation exists in many sectors in Scotland[130], and the undervaluation of 'women's work' such as care, cleaning and retail is a key cause of women's low pay[131]. Women also tend to be less likely than men to reach senior positions due to factors such as childcare responsibilities and division of resources and work at home.

- Women with disabilities, minority ethnic women, and lone parents (the vast majority of whom are young women), are at an even higher risk of poverty, disruption to employment chances and good labour market outcomes. The

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[120] Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (www.gov.scot)

[121] Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot); A fairer Scotland for women: gender pay gap action plan - gov.scot (www.gov.scot)

[122] Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot)

[123] A Fairer Scotland for Older People: framework for action - gov.scot (www.gov.scot)

[124] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)

[125] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot); Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot); NSET Evidence Paper https://www.gov.scot/isbn/9781804351475

[126] Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot (www.gov.scot)

[127] Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot (www.gov.scot)

[128] Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot)

[129] Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot)

[130] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)

[131] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)

Analytical Annex[132] to the 'Gender Pay Gap Action Plan' and the 'Gender Pay Action Plan'[133] published by the Scottish Government sets out the drivers for gender disparities in the labour market in more detail.

- The Gender Pay Gap[134] for full-time employees in Scotland has decreased significantly from over 18% in 2000 to 3.6% in 2021, however earnings from employment between men and women continue to vary with women earning less on average than men[135].

- Between April 2011-March 2012 and April 2014-March 2015, the employment rate had increased at a faster rate for women compared with men in Scotland. However, since then, the rate of change had been similar for women and men up until April 2019-March 2020, after which both have decreased during the pandemic. In April 2020-March 2021, the employment rate for women was estimated at 70.5% (down from 71.4% in the previous year) and for men 75.2% (down from 77.7% in the previous year)[136].

- Despite an increasing share of self-employment, women are still less likely to be self-employed than men[137]. In 2020, only 17% of SMEs in Scotland with employees and 20% of sole traders were women-led[138]. In terms of start-ups, as measured by the TEA rate, female entrepreneurship in Scotland has risen over time but remains lower than that amongst males[139].

- As a result of COVID-19, women are expected to face larger long-term negative labour market outcomes due to their over-representation in part-time and insecure work[140]. Women were around three times more likely to work in a sector shut down during the pandemic than men, with single mothers with low qualifications being particularly overrepresented in these sectors[141]. The pandemic has emphasised the need to address the issue of women's low incomes from social security and employment[142].

- Over the course of the pandemic, women's unpaid housework, childcare, and unpaid care increased[143]. Women may also find it more difficult to secure alternative employment and income streams following lay-off[144].

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[132] Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot)
[133] A fairer Scotland for women: gender pay gap action plan - gov.scot (www.gov.scot)
[134] The Gender Pay Gap is calculated as the difference between the average hourly earnings (excluding overtime) for men and women as a proportion of the average hourly earnings (excluding overtime) for men.
[135] Annual survey of hours and earnings: 2021 - gov.scot (www.gov.scot)
[136] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[137] Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)
[138] NSET Evidence Paper https://www.gov.scot/isbn/9781804351475
[139] NSET Evidence Paper https://www.gov.scot/isbn/9781804351475
[140] Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)
[141] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[142] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[143] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
[144] If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)

Stakeholder feedback

Stakeholders highlighted a range of issues including, but not limited to, the following:

- Need for integrating gender perspectives and women's needs, disadvantages and inequalities into response measures and wider economic policymaking;
- Need to improve the understanding of inequality issues in the system with considerations on child-care and care economy more generally as critical to achieving women's equality;
- Need to understand the links between child poverty and women's poverty;
- NSET should build on Scottish Government commitments on the gender pay gap;
- Root causes of women's underrepresentation in technology and STEM sectors should be addressed;
- Women's entrepreneurship base should be developed and better supported;
- Investment and growth should be targeted in sectors where women's work is concentrated;
- Suggestions for enhancing the quality of infrastructure that supports women to progress within the labour market including investing in structured, affordable and flexible childcare provision and social care; tackling occupational segregation through the development of gender-sensitive (re)training and development programmes; and
- Need for expanding and funding peer-to-peer support networks and increased financial support, training and coaching for female entrepreneurs; and easier access to government contracts for women-led SMEs.

Examples of NSET Programmes of Actions and Projects that will advance equality:

Entrepreneurial People and Culture

Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, to adapt and review Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focussing in particular on providing opportunities for women and other under-represented groups and on specific skills, such as digital.

Project 2: Create a world class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies. For example, to set targets and focus on providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would include the offer of financial support for those who are unable to afford time out from a full-time job or caring responsibilities to develop ideas. An early priority will be action to scope and deliver our new Women's Business Centre.

Project 4: Build an entrepreneurial mindset in every sector of our economy. For example, to pro-actively promote business start-up opportunities to those at risk of redundancy through the PACE programme.

Productive Businesses and Regions

Project 8: Improve connectivity infrastructure and digital adoption across the economy. For example, to create better transport connectivity with sustainable, smart and cleaner transport options; and to provide an efficient and resilient digital

infrastructure. This includes continued investment in improved broadband, fibre and mobile coverage for residential and business premises.

Project 9: Upskill business and public sector leaders, pioneering new approaches to driving productivity improvements. For example, to launch the Centre for Workplace Transformation in 2022 to support experimentation in ways of working post-pandemic to deliver good jobs, recognising the importance of the way workplaces operate and best use of employees' skills to enhance business performance.

Skilled Workforce

Project 11: Adapt the education and skills system to make it more agile and responsive to our economic needs and ambitions. For example, to develop 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, supporting post-school learners to access learning later in life and around other commitments; and to deliver the forthcoming national strategy on adult learning that will ensure that community learning is more consistent and comprehensive.

Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to implement a more straightforward lifetime upskilling and retraining offer; and to target more skills investment and support to working age people in poverty or at risk of moving into poverty (particularly the six priority family types[145]). 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.

Project 13: Expand Scotland's available talent pool, at all skills levels, to give employers the skills pipeline they need to take advantage of opportunities. For example, to systemically address Scotland's labour market inactivity challenges by assessing trends within 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.

A Fairer and More Equal Society

Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022, and determine how these conditions can be applied to non-departmental public bodies, and to further extend Fair Work conditionality; to deliver on the commitment to require payment of the real Living Wage in Scottish Government contracts from October 2021; and to 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

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[145] Our Tackling Child Poverty Delivery Plan has identified six priority family types at higher risk of poverty: Lone parent families, the large majority of which are headed by women; Families which include a disabled adult or child; Larger families; Minority ethnic families; Families with a child under one year old; Families where the mother is under 25 years of age.

promote and embed Fair Work practices and achieve higher standards of pay, better security of work, and greater union representation.

Project 15: Eradicate structural barriers to participating in the labour market. For example, to set 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 2017; to simplify the employability system by implementing No One Left Behind; to ensure that people receive aligned and integrated offer of support to help them on their journey towards, into or progressing within the labour market and help them thrive and sustain employment for the long term - in this way we will ensure that individuals and families have access to the advice and services they need to thrive, including housing, health, affordable and flexible childcare and transport offers; to take further steps to remove barriers to employment and career advancement for women that will be set out in the forthcoming Gender Pay Gap Action plan; and, building on the principles of the Young Person's Guarantee, to develop 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.

7.9   Sexual Orientation
What the evidence tells us:
- Whilst attitudes towards lesbian, gay and bisexual people have become more positive over the past decade in Scotland, they continue to face a range of inequalities and disadvantage across a number of areas and settings including employment, healthcare and education.
- Compared to heterosexual adults, lesbian, gay, bisexual or other adults were more likely to be younger, live in deprived areas, report bad general health, be unemployed and have a degree[146].
- Despite studies showing equal or better pay for LGB people, they continue to experience discrimination, harassment and abuse in the workplace and in education[147]. LGB employees are more than twice as likely to experience bullying at work than heterosexual employees, but many do not report this[148].
- Four in ten LGB+ employees have experienced a form of workplace conflict in the past year, a rate significantly higher than for heterosexual workers[149]. When conflicts, such as undermining, humiliation, shouting or verbal abuse occurred, the issue had only been partially resolved or not resolved at all.
- LGB+ employees report poorer working relationships and job satisfaction compared to their heterosexual colleagues, a lack of psychological safety, and they were more likely to report that work has a negative impact on their health[150]. More subtle discrimination, such as derogatory jokes, misgendering and stereotyping also occur[151].

[146] Sexual orientation in Scotland 2017: summary of evidence base - gov.scot (www.gov.scot)
[147] Inclusion at work: Perspectives on LGBT+ working lives (cipd.co.uk); Sexual orientation in Scotland 2017: summary of evidence base - gov.scot (www.gov.scot)
[148] Lesbian, Gay and Bisexual employees' experience of discrimination, bullying and harassment at work - ReShare (ukdataservice.ac.uk)
[149] Inclusion at work: Perspectives on LGBT+ working lives (cipd.co.uk)
[150] Inclusion at work: Perspectives on LGBT+ working lives (cipd.co.uk)
[151] LGBT workplace discrimination: Learning from lived experiences | McKinsey

Examples of NSET Programmes of Actions and Projects will advance equality:

Entrepreneurial People and Culture
Project 1: Embed first rate entrepreneurial learning across the education and skills systems. For example, building 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 – with an initial focus on schools in areas of multiple deprivation.

Skilled Workforce
Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives. For example, to ensure 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.

Fairer and More Equal Society
Project 14: Tackle poverty through fairer pay and conditions. For example, to apply Fair Work conditionality to grants, requiring payment of real Living Wage, and channels for effective workers' voice by summer 2022; and to further extend Fair Work conditionality.

Project 15: Eradicate structural barriers to participating in the labour market. For example, building on the principles of the Young Person's Guarantee, to develop an all age guarantee of support for those most disadvantaged in the labour market; and to deliver an aligned and integrated offer of support for those seeking to move towards, into or progressing within the labour market, ensuring access to the advice and services including housing and health.

8. Conclusion

Our vision for 2032 is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions. To be truly transformational and ensure that Scotland's economy benefits all of Scotland's people, achieving this vision will be done in a way that tackles inequality and advances equality for people with protected characteristics, as well as other disadvantaged groups, in our society.

The evidence and stakeholder feedback presented in this Equality Position Statement have informed the development of NSET Programmes of Actions and Projects that underpin them. We will continue to use, build and understand the evidence on equalities to support policy development as we finalise the detailed NSET delivery plans and implement the strategy over the next 10 years. EQIAs will be progressed for the individual policies put in place to deliver the NSET as they are developed by policy teams. Our delivery plans will be linked to the forthcoming Scottish Government Resource Spending Review (RSR) and the RSR will also include equality impact assessments.

We commit to establishing a Centre of Expertise in Equality and Human Rights within the Scottish Government, advancing our understanding and embedding equality and human rights within the economic policy-making process.

The NSET Delivery Board will oversee the successful implementation of the commitments and policies set out in the strategy. We commit to publish an annual progress report that will include equalities monitoring, will help to advance equality and where gaps in the available evidence are identified, we will take action to continue to improve our evidence base.

This Position Statement, and the ongoing gathering of relevant evidence, will provide a framework to support the development of specific Equality Impact Assessments so that policy officials can identify the anticipated impacts of NSET projects and actions on equalities groups and where any negative impacts emerge will take appropriate mitigating actions. Our ambition for a fairer, more equal society and our actions to remove the barriers that many of Scotland's people face in our economy are a vital component of building the fairer, wealthier and greener wellbeing economy we seek.

Sign off	**Date:** 21 February 2022
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