

Scotland's National Strategy for Economic Transformation Equality Impact Assessment (Record and Results)

October 2022

EQUALITY IMPACT ASSESSMENT RECORD

Title of policy/ practice/ strategy/ legislation etc.	Scotland's National Strategy for Economic Transformation (NSET)
Minister	John Swinney, MSP, Deputy First Minister and Cabinet Secretary for Covid Recovery
Lead official	Lisa McDonald, Deputy Director, Economic Policy and Capability Division
Directorate	Economic Strategy Directorate
Is this new policy or revision to an existing policy?	New policy as set out in Scotland's National Strategy for Economic Transformation

Screening

Policy Aim

The vision of the National Strategy for Economic Transformation (NSET), published on 1 March 2022, is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions. The strategy sets out an ambition that, over the next decade, Scotland's economy will significantly outperform the last decade, both in terms of economic performance and tackling structural economic inequalities.

Analysis of the available evidence has identified six interconnected, transformational Programmes of Action to shift the economic dial and deliver our vision. Together they tackle 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.

We are looking beyond GDP growth and taking a broader view of what it means to be a successful country, pursuing a fairer, wealthier and greener economy, with wellbeing at its heart. Scotland is already leading the way on this work internationally and we have made wellbeing an explicit part of our national purpose as a country, underpinning our National Performance Framework (NPF)¹. 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 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.

People must be at the heart of an economy that works for all, where everybody - in every community and in every region of the country - shares in our prosperity. Our ambition is for Scotland to become:

¹ [National Performance Framework | National Performance Framework](#)

- **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.

The strategy's five transformational policy Programmes of Action are:

- **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, which introduces 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.

NSET supports delivery of the outcomes described in the NPF; it builds on our Programme for Government and our Covid Recovery Strategy; and it sets the context for Resource Spending Reviews and capital investment plans in the years ahead.

The Equality Act 2010 places a duty (known as the Public Sector Equality Duty, or PSED) on public authorities to have due regard to the need to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and promote good relations between people who share a protected characteristic and those who do not. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 (Regulation 5) require public authorities to assess and review policies and practices against these three needs of the PSED.

Therefore, the Scottish Government has undertaken equality impact assessments (EQIAs) on each of the strategy's Programmes of Action. These EQIAs have been published alongside the NSET Delivery Plans and aim to consider the potential impacts of each Programme on people with protected characteristics, defined in equality legislation as: age, disability, gender reassignment, sex, pregnancy and maternity, marriage and civil partnership, race, religion or belief, and sexual orientation.

In addition, this overarching EQIA aims to look at NSET through a more holistic lens to explore how the Scottish Government's overall economic policy direction over the course of the next 10 years, as set out in NSET, might impact on people with protected characteristics. It further examines the principles of safeguarding the implementation of NSET with respect to equality and the three needs of the PSED.

In developing NSET and its Delivery Plans, the Scottish Government is mindful of the three needs of the PSED. Where any negative impacts have been identified, we have sought to mitigate or eliminate these. We are also mindful that the equality duty is not just about preventing or mitigating negative impacts, as we also have a positive duty to advance equality.

Who will it affect?

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.

NSET recognises that, whilst the economy impacts everybody, the impact is not felt equally and people with some protected characteristics can be disproportionately affected, for example women, disabled people and minority ethnic people. We also recognise that protected characteristics intersect, therefore we have considered them on an intersectional basis.

Tackling the underlying causes of inequality in our society and providing economic opportunity is vital in order to improve life chances. If Scotland's productivity matched that of the OECD top quartile, average annual wages would be almost 10% higher². 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 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.

The commitments set out 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 individual characteristics and circumstances, their experiences of economic activity and the impacts that Scotland's economy

² [1. Background and Policy Aim - Scotland's National Strategy for Economic Transformation: equality position statement - gov.scot \(www.gov.scot\)](#)

has on their lives are different. Targeting the Projects and Actions proposed in NSET towards people with protected characteristics and taking a person-centred approach to considering the outcomes of policies and their implementation, can help to address entrenched inequality and cumulative impacts on people, and particularly those who experience disadvantage.

Several Actions across the strategy's Programmes specify that they will be targeted at under-represented groups. Examples include:

“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, including the six priority groups at greatest risk of child poverty. 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.” (Entrepreneurial people & culture)

“Systemically address Scotland's labour market inactivity challenges. Assess trends within different labour market inactive groups and understand what steps can be taken to bring more individuals into the labour market – including through the use of childcare and transport provision, part-time/flexible working, support for employees with disabilities, and business start-up and work from home opportunities. This is inextricably linked to reducing child poverty, including the approach of pathfinders to test how to ensure holistic support enables parents to enter, sustain and progress in work.” (Skilled workforce)

What might prevent the desired outcomes being achieved?

Due to its long-term focus and the breadth of NSET's vision to reshape our economy and society, and in the light of the above, the factors that may influence its implementation are wide-ranging. The factors considered here are not those that may impact individual Programmes, which are detailed in their respective EQIAs, but factors that may impact the delivery of NSET as whole. Some of these factors are explored in more detail below.

Economic shocks, including the current cost crisis

The next 10 years will be a period of incredible change and extraordinary opportunity. However, as the past few years and months have illustrated, with Brexit, COVID-19, the economic and inflationary consequences of Russia's invasion of Ukraine, and the economic turmoil we are currently experiencing as a result of recent UK Government policy announcements, economic conditions can change rapidly. In this context, we need to be ready to respond and adapt to these and any further changes that may occur when implementing NSET over the next decade. This may mean that we need to prioritise and/or focus our attention on developing certain NSET Projects that can best provide support or mitigate these potential shocks. In doing so, we will be mindful of the impact of our decisions, including decisions on spending.

We have made a clear commitment to further embed equality and human rights within all stages of the Scottish Government's Budget process, taking account of the Equality Budget Advisory Group's recommendations,³ to ensure our spend advances equality and human rights for all of Scotland's people. Since receiving the recommendations we have been giving them consideration as part of our longer term budget improvement and equality and human rights mainstreaming work.

Resource Spending Review

The Scottish Government's Resource Spending Review (RSR)⁴, published in May 2022, is a public finance document that set out the high level parameters for resource spending to 2026-27 and outlined our spending plans to deliver Programme for Government and Bute House commitments. Since the publication of the RSR in May, the cost crisis has meant that Scotland has faced both a significant reduction in the Scottish Government's spending power alongside the impact of the cost crisis on households, families, businesses, public services and the third sector. These restrict the Scottish Government's ability to respond to the cost crisis in-year, not least due to restrictions on borrowing powers, and also present challenges in future years. Those challenges are not just restrictions on overall expenditure, but also uncertainty over expenditure plans in the future, exacerbated by UK-wide economic and political volatility.

Given this context, we are by necessity and in line with good practice, prioritising and developing NSET Projects which can support the cost crisis in the short-term, as well as NSET Projects that are well developed and will make the biggest contribution to sustainable and inclusive economic growth.

When operating within the current fiscal constraints and the challenging economic situation, we will manage and navigate our steps through the process and discipline of the RSR. In this context, undoubtedly, difficult decisions will have to be taken across government, however, in considering the impact of these decisions with respect to NSET delivery, we will continue to pay due regard to the equality duty of eliminating discrimination, advancing equality of opportunity and fostering good relations, as set out in the Equality Act 2010.

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 disabled people. We recognise that there are barriers to participation in the labour market resulting in significant and persistent

³ The Equality Budget Advisory Group is now the Equality and Human Rights Budget Advisory Group

⁴ [Investing in Scotland's Future: Resource Spending Review - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/05/Investing_in_Scotland's_Future_Resource_Spending_Review.pdf)

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 outcomes⁵.

In addition, whilst the adverse economic impacts resulting from COVID-19 as well as the cost crisis are still unfolding, they have had a particular impact on reducing resources and resilience among businesses across Scotland, with an increase in corporate debt and some businesses 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.

EU exit

EU exit has impacted the Scottish economy and, when combined with the adverse impact of the COVID-19 pandemic and the current cost crisis, this might also negatively affect certain groups of the population⁶.

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 behind⁷, 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.

Over the next 10 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

⁵ [Coronavirus \(COVID-19\): impact on equality \(research\) - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/06/Coronavirus_COVID-19_impact_on_equality_research.pdf)

⁶ [Coronavirus \(COVID-19\): impact on equality \(research\) - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/06/Coronavirus_COVID-19_impact_on_equality_research.pdf)

⁷ [Just Transition Commission Interim Report - gov.scot \(webarchive.org.uk\)](https://www.gov.scot/resources/documents/2020/06/Just_Transition_Commission_Interim_Report.pdf)

needs to be seen as a pervasive economic issue impacting differently on men and women, with women experiencing disproportionate impacts⁸.

The transition required to meet the emission reduction targets set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019⁹ 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, equality, poverty (including fuel poverty), and a sustainable and inclusive labour market¹⁰. 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.

⁸ [Women and the Net Zero Economy - A transition toolkit for businesses with global supply chains \(publishing.service.gov.uk\)](https://publishing.service.gov.uk); [Women and Economic Dimensions of Climate Change - ScienceDirect](https://www.sciencedirect.com).

⁹ [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

¹⁰ [Just Transition Commission Interim Report - gov.scot \(webarchive.org.uk\)](https://www.gov.scot/webarchive.org.uk)

Stage 1: Framing

Results of framing exercise

NSET is designed to tackle long term structural challenges, build on our economic strengths and position Scotland to maximise the greatest economic opportunities of the next ten years. Its Programmes were chosen and informed based on analysis of the available evidence. The NSET Evidence Paper¹¹ set out evidence on the structure and performance of Scotland's economy, and identified areas for action to deliver transformational improvements in Scotland's economic performance. Evidence concerning economic inequalities and the experiences of people with different protected characteristics in relation to Scotland's economy was brought together in the NSET Equality Position Statement¹².

In its response¹³ to the report¹⁴ 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 and begin building a greener, fairer and more equal society. NSET has drawn on this work and builds on the 25 recommendations of the Independent Advisory Group, continuing to deliver against the ambitions of our Economic Recovery Implementation Plan. This includes a commitment to establish a Centre of Expertise in Equality and Human Rights¹⁵ to work across the economy portfolio.

In recognition of the breadth of direct and indirect impacts that delivery of NSET is anticipated to have across all parts of society in all areas of Scotland, extensive engagement has been undertaken with a broad range of stakeholders, including equality stakeholders.

In July 2021, the Scottish Government established a new Advisory Council for Economic Transformation¹⁶, which included industry representatives, trade unions, academics and economists, to shape NSET.

We also undertook a range of research activities to strengthen our understanding of existing inequalities in the economy and how they could be addressed through NSET. This included a public consultation that received over 260 responses; strategic conversations with a broad range of stakeholders across the private, public and third sectors; and discussions and roundtables to invite views from equality, third sector and business stakeholders, at both official and Ministerial level.

¹¹ [1. Introduction - Scotland National Strategy for Economic Transformation: evidence paper - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/evidence-paper-1-2020/pages/1-introduction.aspx)

¹² [1. Background and Policy Aim - Scotland's National Strategy for Economic Transformation: equality position statement - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/equality-position-statement/pages/1-background-and-policy-aim.aspx)

¹³ [Executive Summary - Economic Recovery Implementation Plan: Scottish Government response to the Advisory Group on Economic Recovery - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/economic-recovery-implementation-plan/pages/1-executive-summary.aspx)

¹⁴ [Towards a Robust, Resilient Wellbeing Economy for Scotland: Report of the Advisory Group on Economic Recovery - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/economic-recovery-report/pages/1-towards-a-robust-resilient-wellbeing-economy-for-scotland.aspx)

¹⁵ [Tackling inequalities through economic recovery - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/economic-recovery-report/pages/1-tackling-inequalities-through-economic-recovery.aspx)

¹⁶ [Advisory Council for Economic Transformation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/economic-recovery-report/pages/1-advisory-council-for-economic-transformation.aspx)

Building on the pre-publication consultation and stakeholder engagement, since the launch of NSET Ministers have undertaken an extensive programme of engagements, including roundtables, events and boardroom meetings. In total they have engaged with more than 150 stakeholders across business, public and third sectors in small settings, as well as addressing hundreds more at events including at the Scotland House Vision for Trade Event, Unlocking Ambition showcase event, and the National Economic Forum.

The pre-publication and post-publication stakeholder engagement and evidence gathering have helped shape and inform NSET's vision and ambition, as well as the six transformational Programmes of Action and their Delivery Plans that will be implemented over the next 10 years.

A summary of our engagement with equality stakeholders is outlined below:

Ministerial and official-led roundtables and meetings with equality and human rights stakeholders

- Ministerial engagements with the Women's Leadership Centre and the Poverty and Inequality Commission (June 2021);
- Equality and Human Rights roundtable with officials (September 2021);
- Equality and Human Rights roundtable with officials (November 2021);
- Equality and Human Rights Roundtable hosted by the Cabinet Secretary for Finance and the Economy (January 2022);
- Equality and Human Rights Roundtable hosted by the Cabinet Secretary for Finance and the Economy (May 2022); and
- Meeting between DG Economy and the Equality and Human Rights Commission (August 2022).

Evidence and data gathering

- Analysis of relevant responses to the NSET consultation, including 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;
- Evidence and data-gathering for the NSET Equality Position Statement, which was informed by a range of sources, including outputs from stakeholder engagement, public consultation and relevant evidence from government, third sector and academic evidence and research papers and publications;
- Data gathered through the Equality Evidence Finder¹⁷;
- NSET Evidence paper; and
- Evidence and data-gathering for this EQIA (see Stage 2 below).

To produce this EQIA we examined published evidence available for each of the protected characteristics as listed in the Equality Act 2010¹⁸: age,

¹⁷ <https://scotland.shinyapps.io/sg-equality-evidence-finder/>

¹⁸ The Scottish Government does not require assessment against Marriage and Civil Partnership protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details.

disability, sex, pregnancy and maternity, gender reassignment, sexual orientation, race, and religion or belief. Data and qualitative information were also gathered from evidence arising from stakeholder engagement and the NSET public consultation. Details of the sources of evidence used have been provided in Stage 2 of this EQIA.

To deliver NSET's transformational Programmes in a way that maximises opportunities to advance equality and human rights, we are undertaking work on improving our equality evidence base. Economy analysts are contributing to the Scottish Government Equality Data Improvement Programme (EDIP)¹⁹, which aims to improve the quality of equality data that is available to use in policy development, implementation and monitoring. To address some of the known gaps in equality evidence, the Scottish Government launched the first phase of EDIP in April 2021. A written stakeholder consultation²⁰ was held from July until October 2022 on a draft plan to improve and strengthen Scotland's equality evidence base. This consultation was supplemented by stakeholder engagement workshops held throughout September 2022. The responses received from stakeholders will help shape the improvement plan, which will form the basis of Scotland's new Equality Evidence Strategy. It is anticipated that the strategy will be launched by the end of February 2023 and will run to 2025 and will help identify gaps in equality evidence and improve our evidence base.

NSET has a vision of a wellbeing economy and has been designed, based on evidence, to deliver economic prosperity for all Scotland's people and places. The strategy sets out an aim that, by 2032, Scotland's economy will significantly outperform the last decade, both in terms of economic performance and tackling structural economic inequalities, with people at the heart of an economy that offers opportunities for all to succeed and where everybody, in every community and region of the country, will share in our economic prosperity. As such, the strategy has the potential to impact the lives of people with protected characteristics, both directly and indirectly, as well as people experiencing socio-economic disadvantage. The realisation of these positive impacts depends on effective delivery of the strategy, as described in the delivery model set out in programme 6, which has been shaped by our evidence gathering and stakeholder engagement to date.

While evidence has been gathered on groups with protected characteristics, it is vital to consider our approach through an intersectional lens. Some people may face complex and interconnected issues related to disadvantage at any one time, and 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 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

¹⁹ [Equality Data Improvement Programme \(EDIP\) project board - gov.scot \(www.gov.scot\)](https://www.gov.scot/projects/equality-data-improvement-programme-edip)

²⁰ [Equality Evidence Strategy 2023-25 consultation - Scottish Government - Citizen Space](https://www.gov.scot/projects/equality-evidence-strategy-2023-25-consultation)

poverty, inequality and/or discrimination. Given gaps in the available evidence in relation to intersectionality, combined with the impacts of the current cost crisis on people with protected characteristics and low income households, further work will be required to build our understanding of the potential positive and negative impacts of delivery of NSET over the next 10 years.

A summary of NSET commitments 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 of 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.

Extent/Level of EQIA required

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 eliminating unlawful discrimination, harassment and victimisation; advancing equality of opportunity; and fostering good 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 Public Sector 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 EQIA. This EQIA, and the data detailed below, should be considered in the context of its position as an overarching assessment of the overall economy policy direction of the Scottish Government over the course of the next 10 years as set out in NSET, and alongside the data provided in the Programme level EQIAs, which have been published separately alongside the NSET Delivery Plans.

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 have also listed above some of the key NSET projects and their underpinning actions that we anticipate will make a significant contribution to addressing the issues identified.

Specifically, this EQIA assesses any impacts of applying a proposed new or revised policy or practice against the needs relevant to a public authority's duty to meet the Public Sector Equality Duty. The needs are to:

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity; and
- Foster good relations.

Stage 2: Data and evidence gathering, involvement and consultation

Characteristic ²¹	Evidence gathered and Strength/quality of evidence	Data gaps identified and action taken
AGE <i>Older People (Aged 50+)</i>	Scotland has an ageing population. Scotland's population is increasing and older people represent a growing share ²² . People are also working into older ages ²³ .	We will continue to gather and use relevant data relating to age, to help target activity to advance equality of opportunity for people of all ages in their workplaces and in the labour market overall. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.
	There is considerable geographical variation in the age profile of the population, with lowest variation in the cities ²⁴ and a greater proportion of older people in rural and island areas ²⁵ . 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 ²⁶ . 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 ²⁷ .	
	During COVID-19, stereotypes about older people in relation to redundancy and caring responsibilities affected employer behaviour ²⁸ .	
	Despite general increase in internet access at home (42% in 2003; 93% ²⁹ in 2020) ³⁰ , digital participation is generally lower among the older population and average internet use decreases with age ³¹ .	

²¹ Refer to Definitions of Protected Characteristics document for information on the characteristics

²² Annual Population Survey, 2021

²³ [DWP, Economic Labour Market Status of Individuals Aged 50 and Over, Trends Over time: September 2021](#)

²⁴ Scottish Science Advisory Council. Reaction to the UK Government Office for Science Foresight report "Future of an Ageing Population". Edinburgh: Scottish Science Advisory Council

²⁵ National Records Scotland, Population Projection for Scottish Areas

²⁶ [If not now, when? - Social Renewal Advisory Board report: January 2021 - 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 [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

²⁹ Note that due to the Covid-19 pandemic affecting survey methodology, the results of the SHS 2020 telephone survey are not directly comparable to SHS results for previous years.

³⁰ [Supporting documents - Scottish Household Survey 2020 - telephone survey: key findings - gov.scot \(www.gov.scot\)](#)

³¹ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](#)

	<p>Those aged over 50 face employment barriers in three key areas: communities, access to services and financial security³². Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group³³.</p> <p>To promote ongoing employment and address employment barriers for older people there is a need for³⁴:</p> <ul style="list-style-type: none"> • 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; and • ongoing training and education opportunities that are (financially) accessible to older people. 	
AGE <i>Young People</i>	<p>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 group³⁵. The employment rate for young people had been gradually increasing since April 2013-March 2014 but decreased significantly between April 2018-March 2019 and April 2020-March 2021³⁶.</p>	<p>We will continue to gather and use relevant data relating to age, to help target activity to advance equality of opportunity for people of all ages in their workplaces and in the labour market overall. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.</p>
	<p>More recent employment data suggests some recovery. The employment rate of 16-24 year olds increased from 52.9% in April 2020-March 2021 to 56.4% in April 2021-March 2022.³⁷</p>	
	<p>Young people (16-24 year olds) are more likely to be unemployed than older age groups and are vulnerable to long-term employment 'scarring'³⁸. They are more likely to earn less than the real Living</p>	

³² [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](http://www.gov.scot)

³³ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](http://www.gov.scot)

³⁴ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](http://www.gov.scot); Older People and Employment in Scotland: research. An examination of attitudes and issues surrounding an older workforce. Scottish Government, 2017

³⁵ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

³⁶ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

³⁷ ONS, Annual Population Survey

³⁸ 'Scarring' refers to the idea that people could face reduced pay and reduced employment prospects even after the economy has recovered.

	Wage ³⁹ , and are more likely to be financially vulnerable and in unmanageable debt ⁴⁰ .	
	Young people are more likely to work in sectors hardest-hit by COVID-19 such as retail, leisure and entertainment ⁴¹ , and they are less likely to be in contractually secure employment ⁴² .	
	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% ⁴³ .	
	More recent data show that the unemployment rate of 16-24 year olds has fallen over the latest year – to 9.1% in April 2021-March 2022. ⁴⁴	
	In 2021, the employment rate for young people aged 16-24 was 54.0%, almost 20 percentage points lower than the employment rate for the overall (16-64 years) population in Scotland ⁴⁵ . This is partly due to greater education participation for this group ⁴⁶ .	
	11.5% of young people aged 16-24 were not in employment, education or training (NEET) in 2021 (Jan-Dec) ⁴⁷ . This represents a decrease of 0.9 percentage points from the previous year (2020), but is 1.3 percentage points higher than 2019 ⁴⁸ .	

³⁹ [Annual survey of hours and earnings: 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2021/pages/introduction.aspx)

⁴⁰ [Wealth in Scotland 2006-2020 \(data.gov.scot\)](https://data.gov.scot/dataset/wealth-in-scotland-2006-2020)

⁴¹ [UK Inequality Briefing.pdf \(abiadams.com\)](https://www.abiadams.com/uk-inequality-briefing.pdf); [Sector shutdowns during the coronavirus crisis: which workers are most exposed? - Institute For Fiscal Studies - IFS](https://www.instituteoffiscalstudies.com/sector-shutdowns-during-the-coronavirus-crisis-which-workers-are-most-exposed/)

⁴² [EMP17: People in employment on zero hours contracts - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/employment-and-labour-markets/people-in-employment-on-zero-hours-contracts); [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2021/pages/introduction.aspx)

⁴³ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2021/pages/introduction.aspx)

⁴⁴ ONS, Annual Population Survey

⁴⁵ [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2021/pages/introduction.aspx)

⁴⁶ [1. Introduction - Scotland National Strategy for Economic Transformation: evidence paper - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-national-strategy-for-economic-transformation-evidence-paper/pages/introduction.aspx)

⁴⁷ [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2021/pages/introduction.aspx)

⁴⁸ [Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2021/pages/introduction.aspx)

	<p>Whilst historically decreasing across all age groups, from April 2020 to March 2021 the underemployment rate⁴⁹ was highest for young people (double the national average⁵⁰).</p> <p>There has been significant improvement in business start-ups in the younger age groups. Scotland's Total Early-stage Entrepreneurial Activity (TEA) rate for the 18-29 age group has increased over time to catch up with rates in England and Wales, standing at 9% in the 2019-21 period, broadly in line with England and Wales⁵¹. 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.</p> <p>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 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 home⁵².</p> <p>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 stakeholders have called for a long-term commitment to the Developing Young Workforce (DYW) scheme for the length of NSET⁵³.</p>	
DISABILITY <i>Employment</i>	It is estimated that around one fifth of Scotland's working-age population is disabled ⁵⁴ . The prevalence of disability increases with age ⁵⁵ .	We will continue to gather and use relevant data relating to disabled people, to help target activity to

⁴⁹ 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.

⁵⁰ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2020-21/pages/10.aspx)

⁵¹ [Global Entrepreneurship Monitor: Scotland Report 2021/2022 \(strath.ac.uk\)](https://strath.ac.uk/global-entrepreneurship-monitor-scotland-report-2021-2022/)

⁵² [Follow-the-money.pdf \(carereview.scot\)](https://www.carereview.scot/files/Follow-the-money.pdf)

⁵³ Stakeholder feedback

⁵⁴ [Disabled people in the labour market in Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/disabled-people-labour-market-scotland/pages/1.aspx)

⁵⁵ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](https://www.gov.scot/publications/a-fairer-scotland-for-older-people-a-framework-for-action/pages/1.aspx)

	<p>Disabled people are less likely to be in employment than non-disabled people and earn less on average than non-disabled people⁵⁶.</p>	<p>eliminate discrimination, and advance equality of opportunity for people with this protected characteristic in their workplaces and in the labour market overall. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.</p>
<p>The employment rate for disabled people was estimated at 49.6% (Jan-Dec 2021), significantly lower than the employment rate for non-disabled people (80.8%)⁵⁷.</p>		
<p>The disability employment gap in Scotland⁵⁸ narrowed in the pre-pandemic period and over the year to Jan-Dec 2021, but remains large at an estimated 31.2 percentage points⁵⁹.</p>		
<p>Disabled people are employed across all occupation types and sectors of Scotland's economy, however they are more likely to work in lower paid occupations⁶⁰.</p>		
<p>Even pre-pandemic, compared to non-disabled people, disabled people were less likely to have access to fair work⁶¹. They are also more likely to be underemployed than non-disabled people⁶².</p>		
<p>Available data also indicate 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 2012⁶³.</p>		

⁵⁶ [Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fairer-scotland-for-disabled-people-employment-action-plan-progress-report-year-2-2021/pages/10_to_12.aspx)

⁵⁷ [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/10_to_12.aspx)

⁵⁸ 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.

⁵⁹ [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/10_to_12.aspx)

⁶⁰ [Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fairer-scotland-for-disabled-people-employment-action-plan-progress-report-year-2-2021/pages/10_to_12.aspx)

⁶¹ [Work-and-Wellbeing-Discussion-Paper-1.pdf \(d1ssu070pg2v9i.cloudfront.net\); Coronavirus \(COVID-19\): impact on equality \(research\) - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/work-and-wellbeing-discussion-paper-1-2021/pages/10_to_12.aspx)

⁶² [Disabled people in the labour market in Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/disabled-people-in-the-labour-market-in-scotland-2021/pages/10_to_12.aspx)

⁶³ [Small Business Survey reports - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/small-business-survey-reports). 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).

	Employment barriers for people and disabled 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 disabled people and promote ongoing employment for those able to undertake paid work, as well as enabling disabled people 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 ⁶⁴ .	
DISABILITY <i>Disabled parents</i>	Disabled parents are less likely to be employed compared to non-disabled parents, with those in employment tending to work fewer hours ⁶⁵ . Disabled mothers are particularly unlikely to work full-time ⁶⁶ . Children in households with a disabled person are more likely to live in poverty, and being in work sometimes does not prevent poverty ⁶⁷ .	
DISABILITY <i>Education and training</i>	Disabled people 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 ⁶⁸ . Even with a degree or higher qualification, disabled people are still less likely to be employed than non-disabled people without one ⁶⁹ . Disabled pupils have lower attendance levels at school and are more likely to be excluded ⁷⁰ . Disabled young people are twice as likely not to be in a positive destination (education, employment or training) six	

⁶⁴ [How flexible hiring could improve business performance and living standards | JRF; If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

⁶⁵ [Tackling Child Poverty Delivery Plan: Third Year Progress Report \(2020-21\): Annex B: Child Poverty in Families with a Disabled Adult or Child \(www.gov.scot\)](#)

⁶⁶ [Tackling Child Poverty Delivery Plan: Third Year Progress Report \(2020-21\): Annex B: Child Poverty in Families with a Disabled Adult or Child \(www.gov.scot\)](#)

⁶⁷ [Economic Impact of Coronavirus Led Labour Market Effects on Individuals and Households; Tackling child poverty: third year progress report 2020-2021 - gov.scot \(www.gov.scot\); If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

⁶⁸ [Disabled people in the labour market in Scotland - gov.scot \(www.gov.scot\)](#)

⁶⁹ [Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot \(www.gov.scot\)](#)

⁷⁰ [Tackling child poverty: third year progress report 2020-2021 - gov.scot \(www.gov.scot\)](#)

	months after leaving school, and three times as likely not to be in a positive destination by the age of 19 ⁷¹ .	
DISABILITY COVID-19 impact	The COVID-19 pandemic has posed additional barriers on disabled people's employment and exacerbated pre-existing barriers for some ⁷² , partly due to disabled people being more likely to work in industries hardest hit by the pandemic such as hospitality and distribution ⁷³ .	
	At UK level, there is evidence to suggest that disabled employees were more likely to be made redundant during the pandemic than non-disabled employees ⁷⁴ . Disabled employees were also more likely to have experienced a decrease in hours worked, and were more likely to report being asked to take leave - which includes unpaid leave ⁷⁵ .	
	Analysis by the JRF 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) ⁷⁶ . The analysis also found that disabled people were also more likely to report they had zero earnings by mid-year ⁷⁷ .	
	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 disabled people ⁷⁸ .	

⁷¹ [Summary Statistics for Attainment and Initial Leaver Destinations, No. 3: 2021 Edition - gov.scot \(www.gov.scot\)](http://www.gov.scot); [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.socialrenewal.org.uk/)

⁷² [Tackling child poverty: third year progress report 2020-2021 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

⁷³ [Locked out of the labour market \(leonardcheshire.org\)](https://leonardcheshire.org/); [An unequal crisis - Citizens Advice](https://www.citizensadvice.org.uk/); [Equality Advisory and Support Service \(equalityadvisoryservice.com\)](https://www.equalityadvisoryservice.com/); [Poverty and Covid-19 - Social Metrics Commission](https://www.socialmetrics.com/); [The COVID Decade: understanding the long-term societal impacts of COVID-19 | The British Academy](https://www.thebritishacademy.org.uk/); [Disabled mothers three times more likely to have lost work during the pandemic - Womens Budget Group \(wbg.org.uk\)](https://www.womensbudgetgroup.org.uk/); [Poverty in Scotland 2020 | JRF](https://www.jrf.org.uk/); [Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot \(www.gov.scot\)](https://www.gov.scot); [Which jobs are most likely to have seen a drop in pay during the pandemic? - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/); [Disability+Infographic+16-64+Final+Version+-+PDF.pdf \(www.gov.scot\)](https://www.gov.scot) | [Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf \(scotland.gov.uk\)](https://www.scotland.gov.uk)

⁷⁴ [Coronavirus and redundancies in the UK labour market - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/)

⁷⁵ [Coronavirus and the social impacts on disabled people in Great Britain: September 2020 \(ons.gov.uk\)](https://www.ons.gov.uk/)

⁷⁶ [UK Poverty 2020/21 | JRF](https://www.jrf.org.uk/)

⁷⁷ [UK Poverty 2020/21 | JRF](https://www.jrf.org.uk/)

⁷⁸ [Locked out of the labour market \(leonardcheshire.org\)](https://leonardcheshire.org/)

	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 disabled people 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. ⁷⁹	
SEX	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 ⁸⁰ , outcomes for women still lag behind men.	We will continue to gather and use relevant data relating to this group, to help target activity to advance equality of opportunity for people with this protected characteristic in their workplaces and in the labour market overall. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes. A particular area of focus for strengthening the evidence base is intersectionality.
	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 poverty ⁸¹ . 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) ⁸² . Age also presents a barrier to women's employment – for example, women transitioning through the menopause while in work can require additional support ⁸³ .	
	Women (and particularly minority ethnic women) ⁸⁴ are more likely to be in insecure work ⁸⁵ and are overrepresented in sectors referred to as the 5 C's of cashiering (retail), care, catering, cleaning and clerical. These sectors have historically low pay, low progression and low status but	

⁷⁹ Stakeholder feedback

⁸⁰ [Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf \(www.gov.scot\)](https://www.gov.scot/Resource/0045/04012021/08000.pdf)

⁸¹ [Gender Pay Gap Action Plan: Analytical Annex \(www.gov.scot\); A fairer Scotland for women: gender pay gap action plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/Resource/0045/04012021/08000.pdf)

⁸² [Gender Pay Gap Action Plan: Analytical Annex \(www.gov.scot\)](https://www.gov.scot/Resource/0045/04012021/08000.pdf)

⁸³ [A Fairer Scotland for Older People: framework for action - gov.scot \(www.gov.scot\)](https://www.gov.scot/Resource/0045/04012021/08000.pdf)

⁸⁴ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/Resource/0045/04012021/08000.pdf)

⁸⁵ [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 \(www.gov.scot\); 1. Introduction - Scotland National Strategy for Economic Transformation: evidence paper - gov.scot \(www.gov.scot\)](https://www.gov.scot/Resource/0045/04012021/08000.pdf)

	<p>can often provide more flexibility to allow women to undertake unpaid caring responsibilities⁸⁶.</p>	
	<p>While the gender gap 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 basis⁸⁷ and at lower management levels⁸⁸. The reasons for this include, but are not limited to, education (and expectations of traditionally male and female subjects), limited career options, and availability of suitable jobs with part-time and flexible working only being available in certain occupations or sectors⁸⁹.</p>	
	<p>Women tend to do jobs that are low-paid compared to those undertaken by men. Gender segregation exists in many sectors in Scotland⁹⁰ and the undervaluation of 'women's work' such as care, cleaning and retail is a key cause of women's low pay⁹¹. Women also tend to be less likely than men to reach senior positions due to factors such as childcare responsibilities and unequal division of resources and work at home.</p>	
	<p>Disabled women, 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 Analytical Annex⁹² to the 'Gender Pay Gap Action Plan' and the 'Gender Pay Action Plan'⁹³ published by the Scottish Government sets out the drivers for gender disparities in the labour market in more detail.</p>	

⁸⁶ [Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-2018-2022/annex-3/pages/120.aspx)

⁸⁷ [Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-2018-2022/annex-3/pages/120.aspx)

⁸⁸ [Gender Pay Gap Action Plan: Analytical Annex \(www.gov.scot\)](https://www.gov.scot/publications/gender-pay-gap-action-plan-analytical-annex/pages/120.aspx)

⁸⁹ [Gender Pay Gap Action Plan: Analytical Annex \(www.gov.scot\)](https://www.gov.scot/publications/gender-pay-gap-action-plan-analytical-annex/pages/120.aspx)

⁹⁰ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-statistics-from-the-annual-population-survey-2020-21/pages/120.aspx)

⁹¹ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/if-not-now-when-social-renewal-advisory-board-report-january-2021/pages/120.aspx); [International mechanisms to revalue women's work: research - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/international-mechanisms-to-revalue-women-s-work-research/pages/120.aspx)

⁹² [Gender Pay Gap Action Plan: Analytical Annex \(www.gov.scot\)](https://www.gov.scot/publications/gender-pay-gap-action-plan-analytical-annex/pages/120.aspx)

⁹³ [A fairer Scotland for women: gender pay gap action plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/a-fairer-scotland-for-women-gender-pay-gap-action-plan/pages/120.aspx)

	<p>The Gender Pay Gap⁹⁴ 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 men⁹⁵.</p>	
	<p>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 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)⁹⁶.</p>	
	<p>More recent data (April 2021-March 2022) show increases in employment rates, with the employment rate for women 71.3% and for men 76.4%⁹⁷.</p>	
	<p>Despite an increasing share of self-employment, women are still less likely to be self-employed than men⁹⁸. In 2020, only 17% of SMEs in Scotland with employees and 20% of sole traders were women-led⁹⁹. 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, at 7.8% for women and 11.4% for men in 2021¹⁰⁰.</p>	
	<p>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 work¹⁰¹. Women were around three times more</p>	

⁹⁴ 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.

⁹⁵ [Annual survey of hours and earnings: 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/01/Annual-survey-of-hours-and-earnings-2021-gov.scot.pdf)

⁹⁶ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/01/Scotland's-Labour-Market-2020-21-statistics.pdf)

⁹⁷ ONS, Annual Population Survey

⁹⁸ [Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/01/Scotland's-Labour-Market-2020-21-statistics.pdf)

⁹⁹ [Global Entrepreneurship Monitor: Scotland Report 2021/2022 \(strath.ac.uk\)](https://www.strath.ac.uk/research/centres-and-institutes/global-entrepreneurship-monitor-scotland-report-2021-2022/)

¹⁰⁰ [1. Introduction - Scotland National Strategy for Economic Transformation: evidence paper - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/01/1-Introduction-Scotland-National-Strategy-for-Economic-Transformation-evidence-paper-gov.scot.pdf)

¹⁰¹ [Coronavirus \(COVID-19\): impact on equality \(research\) - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/01/Coronavirus-COVID-19-impact-on-equality-research-gov.scot.pdf)

	<p>likely to work in a sector shut down during the pandemic than men, with single mothers with low qualifications being particularly overrepresented in these sectors¹⁰². The pandemic has emphasised the need to address the issue of women's low incomes from social security and employment¹⁰³.</p>	
	<p>Over the course of the pandemic, women's unpaid housework, childcare, and unpaid care increased¹⁰⁴. Women may also find it more difficult to secure alternative employment and income streams following lay-off¹⁰⁵.</p>	

¹⁰² [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

¹⁰³ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

¹⁰⁴ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

¹⁰⁵ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

	<p>Stakeholders have highlighted the following¹⁰⁶:</p> <ul style="list-style-type: none"> • 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 childcare 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 relevant sectors; • Need to enhance the quality of infrastructure that supports women to progress within the labour market, including through 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. 	
<p>PREGNANCY AND MATERNITY</p>	<p>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 it¹⁰⁷. Pregnancy brings a period of sudden increased financial pressure and</p>	<p>We will continue to gather and use relevant data relating to pregnancy and maternity, to help target activity to advance equality of opportunity for</p>

¹⁰⁶ Stakeholder feedback

¹⁰⁷ [Project Title \(gcph.co.uk\)](http://Project Title (gcph.co.uk))

	<p>sustained money worries have been reported following birth of a baby¹⁰⁸, increasing the risk of child poverty¹⁰⁹.</p>	<p>people within this group in their workplaces and in the labour market overall. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.</p>
<p>Households with children aged 0-4 are at high risk of poverty¹¹⁰. 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 poverty¹¹¹.</p>		
<p>Households with a baby under one year of age are one of the six priority family groups highlighted as being at higher risk of poverty. Approximately one third (34%) of children in households with a child under one were in relative poverty in 2017-20. This compares to 24% of children overall.¹¹²</p>		
<p>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 men¹¹³. Mothers suffer a big long-term pay penalty from part-time working, on average earning about 30% less per hour than similarly educated fathers¹¹⁴. 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.</p>		
<p>Unlike for women, men's work prospects do not appear to be impacted by the birth of a child. International evidence suggests that, overall, the birth of a child tends to have little impact on a father's labour force status or hours of work.¹¹⁵</p>		

¹⁰⁸ [Project Title \(gcph.co.uk\)](http://gcph.co.uk)

¹⁰⁹ The issue of child poverty is discussed in more detail the NSET's 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.

¹¹⁰ [Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment \(www.gov.scot\)](http://www.gov.scot)

¹¹¹ [Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹¹² [Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with babies under one - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹¹³ [Microsoft Word - The Motherhood Pay Penalty key findings in new template RS SH SB.docx \(tuc.org.uk\)](http://tuc.org.uk); [Mothers suffer big long-term pay penalty from part-time working - Institute For Fiscal Studies - IFS; wcms_371804.pdf \(europa.eu\)](http://europa.eu).

¹¹⁴ [BN223.pdf \(ifs.org.uk\)](http://ifs.org.uk)

¹¹⁵ The Effect of a First Born Child on Work and Childcare Time Allocation: Pre-post Analysis of Australian Couples, G. Argyrous, L. Craig & S. Rahman, 2017; The Impact of Work-Family Policies on Women's Employment: A Review of Research from OECD Countries, A. Hegewisch & J. Gornick, 2011

	<p>In-depth analysis of <i>Growing Up in Scotland</i> data showed that the likelihood of employment when a child was still under one increased with the mother's age¹¹⁶. When their child was 10 months, 21% of mothers under 20 were employed (either full-time or part-time) compared with 55% of those in their early twenties and 83% of those aged 25 or older. As the child ages, mothers aged 25 or older remained most likely to be in employment and mothers aged under 20 remained least likely. However, employment levels among mothers aged under 20 do increase over time, while for other groups they remain similar. So, by age six the gap is narrower than at age two.¹¹⁷</p>	
	<p>In circumstances where teenage mothers had negative experiences of education prior to pregnancy, extra care and support is required after pregnancy and birth. These mothers can find themselves becoming 'unofficially' excluded for being pregnant as they are unable to keep up with the demands of education and work around their education setting's schedule when balancing attending appointments and looking after their child. This lack of support can impact on their motivation and ability to continue with education, potentially leading to poorer employment opportunities.¹¹⁸</p>	
	<p>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 areas¹¹⁹.</p>	
	<p>Single mothers with low qualifications are particularly concentrated in sectors most impacted by the pandemic¹²⁰. 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 challenging¹²¹.</p>	

¹¹⁶ <https://www.gov.scot/publications/experiences-mothers-aged-under-20-analysis-data-growing-up-scotland-study/>

¹¹⁷ [Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with mothers aged 25 or under - gov.scot \(www.gov.scot\)](#)

¹¹⁸ [Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with mothers aged 25 or under - gov.scot \(www.gov.scot\)](#)

¹¹⁹ [Scottish household survey 2018: annual report - gov.scot \(www.gov.scot\)](#); [Scottish household survey 2018: annual report - gov.scot \(www.gov.scot\)](#).

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

¹²⁰ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](#)

¹²¹ [Coronavirus \(COVID-19\): impact on equality \(research\) - gov.scot \(www.gov.scot\)](#); [Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf \(scotland.gov.uk\)](#)

	<p>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 pandemic¹²².</p> <p>Since the start of the pandemic, mothers are more likely than fathers to have left or lost their job, or to have been furloughed¹²³, and spent on average two hours longer per day caring for children during lockdown compared to fathers¹²⁴.</p> <p>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 women 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.¹²⁵</p>	
GENDER REASSIGNMENT	<p>Trans people face a range of disadvantages and vulnerabilities in their everyday life and in employment¹²⁶.</p> <p>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 processes¹²⁷.</p>	<p>Relatively limited evidence is available for this group. Where appropriate, we will work with relevant stakeholders to build knowledge and improve data and</p>

¹²² 'Interrupted' is defined as doing at least one work and one non-work activity during an hour-long slot.

¹²³ [Microsoft Word - BN290-Mothers-and-fathers-balancing-work-and-life-under-lockdown.docx \(ifs.org.uk\)](#)

¹²⁴ [Women doing more childcare under lockdown but men more likely to feel their jobs are suffering \(kcl.ac.uk\)](#)

¹²⁵ Stakeholder feedback

¹²⁶ [Stonewall | LGBT in Britain - Trans Report \(2017\) \(stonewallscotland.org.uk\)](#); [Trans People and Work in Scotland \(lgbthealth.org.uk\)](#)

¹²⁷ [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 \(lgbthealth.org.uk\)](#).

	<p>Some trans people find getting into work difficult or challenging, with prejudice and stereotyping having negative impacts on their employment prospects¹²⁸.</p>	<p>evidence. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.</p>
<p>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 months¹²⁹.</p>		
<p>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) health¹³⁰. 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)¹³¹.</p>		
<p>Trans and non-binary workers are particularly under-represented in the workforce¹³² overall.</p>		
<p>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 policies¹³³. 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 jobs¹³⁴.</p>		
<p>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.</p>		

¹²⁸ [Trans People and Work in Scotland \(lgbthealth.org.uk\)](https://lgbthealth.org.uk/trans-people-and-work-in-scotland)

¹²⁹ [trans_mh_study.pdf \(scottishtrans.org\)](https://scottishtrans.org/trans_mh_study.pdf)

¹³⁰ [Inclusion at work: executive summary \(cipd.co.uk\)](https://cipd.co.uk/inclusion-at-work-executive-summary)

¹³¹ [National LGBT Survey: Summary report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/national-lgbt-survey-summary-report)

¹³² [Listen carefully: transgender voices in the workplace \(researchgate.net\)](https://researchgate.net/publication/351111111)

¹³³ [Supporting trans employees in the workplace | Acas; Trans People and Work in Scotland \(lgbthealth.org.uk\)](https://lgbthealth.org.uk/supporting-trans-employees-in-the-workplace)

¹³⁴ [Trans People and Work in Scotland \(lgbthealth.org.uk\)](https://lgbthealth.org.uk/trans-people-and-work-in-scotland)

SEXUAL ORIENTATION	While 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.	Relatively limited evidence is available for this group. Where appropriate, we will work with relevant stakeholders to build knowledge and improve data and evidence. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.
	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 ¹³⁵ .	
	Despite studies showing equal or better pay for LGB people, they continue to experience discrimination, harassment and abuse in the workplace and in education ¹³⁶ . LGB employees are more than twice as likely to experience bullying at work than heterosexual employees, but many do not report this ¹³⁷ .	
	Four in ten LGB+ employees have experienced a form of workplace conflict in the past year, a rate significantly higher than for heterosexual workers ¹³⁸ . 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 were more likely to report that work has a negative impact on their health ¹³⁹ . More subtle discrimination, such as derogatory jokes, misgendering and stereotyping also occur ¹⁴⁰ .	
RACE	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 ¹⁴¹ .	We will continue to gather and use relevant data relating this group, to help target activity to advance

¹³⁵ [Sexual orientation in Scotland 2017: summary of evidence base - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹³⁶ [Inclusion at work: Perspectives on LGBT+ working lives \(cipd.co.uk\)](http://cipd.co.uk); [Sexual orientation in Scotland 2017: summary of evidence base - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹³⁷ [Lesbian, Gay and Bisexual employees' experience of discrimination, bullying and harassment at work - ReShare \(ukdataservice.ac.uk\)](http://ukdataservice.ac.uk)

¹³⁸ [Inclusion at work: Perspectives on LGBT+ working lives \(cipd.co.uk\)](http://cipd.co.uk)

¹³⁹ [Inclusion at work: Perspectives on LGBT+ working lives \(cipd.co.uk\)](http://cipd.co.uk)

¹⁴⁰ [LGBT workplace discrimination: Learning from lived experiences | McKinsey](https://www.mckinsey.com)

¹⁴¹ Annual Population Survey, ONS

	<p>Compared with the white population, minority ethnic groups are more likely to work in accommodation and food services¹⁴², more likely to earn low income¹⁴³ and less likely to have savings¹⁴⁴.</p>	<p>equality of opportunity for people with this protected characteristic in their workplaces and in the labour market overall. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.</p>
<p>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 costs¹⁴⁵. 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 poverty¹⁴⁶.</p>		
<p>Some minority ethnic households are also more likely to live in the most deprived areas in Scotland compared to white Scottish/British households¹⁴⁷.</p>		
<p>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 show that a non-disabled white person is more than twice as likely to be in employment than a disabled person from a minority ethnic group¹⁴⁸.</p>		
<p>While the UK's minority ethnic employment gap¹⁴⁹ has been narrowing consistently over time, there is less evidence of that same progress in Scotland¹⁵⁰. However, this may also be partly due to small survey samples in Scotland leading to greater data volatility in Scotland than in the UK.</p>		

¹⁴² [Scotland's Labour Market: People, Places and Regions – background tables and charts - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-2020/pages/10-background-tables-and-charts.aspx)

¹⁴³ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/if-not-now-when-2021/pages/1-social-renewal-advisory-board-report.aspx)

¹⁴⁴ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/if-not-now-when-2021/pages/1-social-renewal-advisory-board-report.aspx)

¹⁴⁵ [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/dataset/poverty-income-inequality-scotland-2017-20)

¹⁴⁶ [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/dataset/poverty-income-inequality-scotland-2017-20)

¹⁴⁷ [Housing needs of minority ethnic groups: Evidence review](https://www.gov.scot/publications/housing-needs-minority-ethnic-groups-2020/pages/1-evidence-review.aspx)

¹⁴⁸ [Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fairer-scotland-disabled-people-employment-action-plan-2020/pages/1-progress-report-year-2.aspx)

¹⁴⁹ The Minority Ethnic Employment Gap is the difference between the employment rate of white people and the employment rate of minority ethnic people.

¹⁵⁰ Annual Population Survey, ONS, 2004-2020

	<p>The employment rate for people from minority ethnic groups in Scotland is consistently lower than the employment rate for white people¹⁵¹. The employment rate for the minority ethnic¹⁵² population aged 16 to 64 was estimated at 62.1% in 2021 (Jan-Dec)¹⁵³, significantly lower than the rate for the white population (73.9%) – an employment rate gap of 11.7 percentage points.</p>	
	<p>The minority ethnic employment gap is much larger for women than men. In Scotland, the minority ethnic employment gap was estimated at approximately 23.1 percentage points for women and at -1.5 percentage points for men (Jan-Dec 2021)¹⁵⁴. A negative ethnicity employment rate gap is where the rate for the minority ethnic population is higher than the rate for the white population. The much larger gap for women than men may be partly attributed to cultural factors for particular ethnic groups.</p>	
	<p>Analysis by ethnicity shows a TEA¹⁵⁵ rate of 15.5% amongst Scotland's non-white population, which is higher than for the general population, at 9.2% in 2021. For some, however, entrepreneurial activity may be partly undertaken as a result of discrimination in the labour market.</p>	
	<p>Minority ethnic workers are more likely to work in some of the sectors most impacted by the pandemic¹⁵⁶ and may be at greater risk of the 'scarring' effects of unemployment¹⁵⁷. 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 rate¹⁵⁸.</p>	

¹⁵¹ 'White' includes 'White Polish' and 'White Gypsy' who also experience disadvantage.

¹⁵² 'Minority ethnic' includes all categories outside the white population.

¹⁵³ [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/10-to-15-employment-rates-by-ethnicity-and-gender.aspx)

¹⁵⁴ [Scotland's Labour Market: People, Places and Regions – Protected Characteristics: Statistics from the Annual Population Survey 2021 \(www.gov.scot\)](https://www.gov.scot/publications/scotland-labour-market-people-places-and-regions-protected-characteristics-statistics-from-the-annual-population-survey-2021/pages/10-to-15-employment-rates-by-ethnicity-and-gender.aspx)

¹⁵⁵ Total Early-stage Entrepreneurial Activity [Global Entrepreneurship Monitor: Scotland Report 2021/2022 \(strath.ac.uk\)](https://www.strath.ac.uk/research/centres-and-groups/global-entrepreneurship-monitor/scotland-report-2021-2022/)

¹⁵⁶ Economic Impact of Coronavirus Led Labour Market Effects on Individuals and Households, Communities Analysis Division, Scottish Government, April 2020; Annual Population Survey, ONS, 2020.

¹⁵⁷ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/if-not-now-when-social-renewal-advisory-board-report-january-2021/pages/10-to-15-employment-rates-by-ethnicity-and-gender.aspx)

¹⁵⁸ [If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/if-not-now-when-social-renewal-advisory-board-report-january-2021/pages/10-to-15-employment-rates-by-ethnicity-and-gender.aspx)

	<p>The employment of minority ethnic people was disproportionately impacted by previous economic recessions, with profound implications for living standards and overall income and wealth equality¹⁵⁹.</p> <p>Even when in work, minority ethnic families still tend to earn less, with a higher proportion of in-work poverty.¹⁶⁰</p> <p>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.¹⁶¹</p>	
RELIGION OR BELIEF	<p>In 2015-20¹⁶², relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%).</p> <p>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)¹⁶³.</p> <p>While estimates are less precise for other religions due to small sample sizes, the data do suggest that the employment outcomes for those who are Jewish, Sikh or Buddhist in Scotland lag behind the overall population¹⁶⁴.</p>	<p>Relatively limited evidence is available for this group. Where appropriate, we will work with relevant stakeholders to build knowledge and improve data and evidence. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP), depending on its outcomes.</p>
MARRIAGE AND CIVIL PARTNERSHIP	<p>The Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details.</p>	

¹⁵⁹ [Coronavirus \(COVID-19\): impact on equality \(research\) - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/equality/2020/09/coronavirus-covid-19-impact-on-equality-research/)

¹⁶⁰ UK level data from Family resources Survey 2017-20. Note: "Working household" refers to someone in the household being in paid work.

¹⁶¹ Stakeholder feedback

¹⁶² [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/datasets/poverty-income-inequality-scotland-2017-20)

¹⁶³ [Scotland's Labour Market: People, Places and Regions – background tables and charts - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/equality/2020/09/scotland-labour-market-people-places-and-regions-background-tables-and-charts/)

¹⁶⁴ 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 \(www.gov.scot\)](https://www.gov.scot/resources/consultations-policies/equality/2020/09/scotland-labour-market-people-places-and-regions-background-tables-and-charts/)

Stage 3: Assessing the impacts and identifying opportunities to promote equality

Do you think that the policy impacts on people because of their age?

Age	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation			x	NSET considers people in Scotland at all ages. Whilst it does not directly address unlawful discrimination, NSET will indirectly help address and mitigate against discrimination, harassment and victimisation of people of all ages in their workplaces and in the labour market more generally through the delivery of NSET programmes 1, 3, 4 and 5. Some of the Projects under these Programmes set out actions to specifically support young people and older people in the labour market.
Advancing equality of opportunity	x			In line with NSET's overarching vision of a wellbeing economy, the strategy is expected to advance equality of opportunity across equality groups. NSET Programmes 1, 3, 4 and 5 set out Projects and Actions that specifically support advancing equality of opportunity for young people and older people in the labour market.
Promoting good relations among and between different age groups	x			It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between different age groups. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.

Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination,			x	NSET will affect all people in Scotland, both disabled and non-disabled. Whilst it does not directly address unlawful discrimination of disabled people, the strategy seeks to

harassment and victimisation				address and mitigate against the obstacles they face in the labour market and lays out actions that will be taken to support someone with a disability, particularly within Programmes 4 and 5.
Advancing equality of opportunity	x			In line with NSET's overarching vision of a wellbeing economy, it is anticipated that the strategy will advance equality of opportunity across equality groups. We recognise that disabled people are less likely to be in employment than non-disabled people and earn less on average than non-disabled people. NSET Programmes 4 and 5 set out Projects and Actions that support advancing equality of opportunity for people in the labour market and the implementation of Fair Work practices in a workplace.
Promoting good relations among and between disabled and non-disabled people	x			It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between those who have a disability and those who do not. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.

Do you think that the policy impacts on men and women in different ways?

Sex	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			x	NSET will affect all people in Scotland, including men and women. Whilst it does not directly address unlawful discrimination, the strategy will indirectly help address and mitigate against discrimination in workplaces and the wider labour market through Programmes 1, 3, 4, 5 and 6 (in particular with regards to the principles the Projects and Actions under programme 6 are guided by). Some of the Projects under these Programmes set out Actions to

				specifically support women and other marginalised groups in the labour market.
Advancing equality of opportunity	x			<p>In line with NSET's overarching vision of a wellbeing economy, NSET is expected to advance equality of opportunity across equality groups. Evidence tells us that, although progress has been made, labour market outcomes for women for both employment rate and pay gap still lag behind those for men, and women experience a range of barriers in the labour market that lead them to be paid less on average than men, be more likely to work in insecure jobs, drive aspects of the gender pay gap and contribute to the existence of (child) poverty. This is increased for women with multiple protected characteristics, such as disabled women and minority ethnic women.</p> <p>The NSET Programmes stated in the section above include Projects and Actions that support advancing equality of opportunity for women in the labour market.</p>
Promoting good relations between men and women	x			<p>It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between men and women. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.</p>

Do you think that the policy impacts on women because of pregnancy and maternity?

Pregnancy and Maternity	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination				NSET will affect all people in Scotland, including those who are pregnant or who have given birth. Whilst it does not directly address unlawful discrimination, the strategy

			x	will indirectly help address and mitigate against discrimination in workplaces and the wider labour market through Programmes 1, 3, 4 and 5. Some of the Projects under these Programmes set out Actions to specifically support women and other marginalised groups in the labour market.
Advancing equality of opportunity			x	<p>In line with NSET’s overarching vision of a wellbeing economy, it is anticipated that equality of opportunity across equality groups will be advanced through NSET. Evidence tells us that while motherhood decreases income for women, men do not experience the same drop. Unlike for women, men’s work prospects do not appear to be impacted by the birth of a child. Pregnancy brings a period of financial pressure, including following birth of a baby, which increases the risk of child poverty.</p> <p>Whilst not targeting this group specifically, the NSET Programmes stated in the section above include Projects and Actions that support advancing equality of opportunity for women, including those who are pregnant or who have given birth, in the labour market. This includes an Action that seeks to ensure that individuals and families have access to advice and services such as housing, health, affordable and flexible childcare and transport.</p>
Promoting good relations			x	It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between those who are pregnant and/or have a baby and those who do not. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.

Do you think your policy impacts on people proposing to undergo, undergoing, or who have undergone a process for the purpose of reassigning their sex? (NB: the Equality Act 2010 uses the term ‘transsexual people’ but ‘trans people’ is more commonly used)

Gender reassignment	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			x	Whilst NSET does not directly address unlawful discrimination because of gender reassignment, where relevant we will work with stakeholders to build knowledge and implement changes which will aim to have a positive impact. The delivery of NSET is designed to be undertaken in a way that will not create unlawful discrimination related to gender reassignment.
Advancing equality of opportunity	x			In line with NSET’s overarching vision of a wellbeing economy, it is expected that NSET will advance equality of opportunity across equality groups. We recognise that trans people face a range of disadvantages, barriers and challenges in everyday life and in the labour market. NSET Programmes 1, 4 and 5 set out Projects and Actions that support advancing equality of opportunity for a range of marginalised groups in the labour market, and to support Fair Work practices.
Promoting good relations	x			It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between those are planning to or have undergone a process for the purpose of reassigning their sex and those who are not or have not. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.

Do you think that the policy impacts on people because of their sexual orientation?

Sexual orientation	Positive	Negative	None	Reasons for your decision
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Eliminating unlawful discrimination			x	Whilst NSET does not directly address unlawful discrimination because of sexual orientation, where relevant we will work with stakeholders to build knowledge and implement changes which will aim to have a positive impact. The delivery of NSET is designed to be undertaken in a way that will not create unlawful discrimination related to sexual orientation.
Advancing equality of opportunity	x			In line with NSET's overarching vision of a wellbeing economy, it is expected that equality of opportunity across equality groups will be advanced through NSET. NSET Programmes 1, 4 and 5 set out Projects and Actions that support advancing equality of opportunity for a range of marginalised groups in the labour market, and to support Fair Work practices.
Promoting good relations	x			It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between people with different sexual orientations. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.

Do you think the policy impacts on people on the grounds of their race?

Race	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			x	NSET will impact on all people of all races in Scotland. Whilst it does not directly address unlawful discrimination, the delivery of NSET will indirectly help address and mitigate against discrimination of people due to their race in workplaces and in the labour market more generally through NSET Programmes 1, 3, 4 and 5. Some of the Projects under these Programmes set out Actions to specifically support marginalised groups, including for

				people from ethnic minority communities, in the labour market.
Advancing equality of opportunity	x			<p>In line with NSET's overarching vision of a wellbeing economy, it is anticipated that the strategy will advance equality of opportunity across equality groups. Evidence tells us that labour market outcomes for people from minority ethnic communities lag behind those for white people. The employment rate for people from minority ethnic groups is consistently lower than the employment rate for white people and, compared with the general population in Scotland, they are more likely to earn low income and be in relative poverty, with minority ethnic families being most at risk of child poverty. People with multiple protected characteristics can face heightened barriers to employment, which is also evidenced by the minority ethnic employment gap being much larger for women than men.</p> <p>The NSET Programmes stated in the section above include Projects and Actions that support advancing equality of opportunity for people from ethnic minority communities in the labour market.</p>
Promoting good race relations	x			<p>It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between different race groups. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.</p>

Do you think the policy impacts on people because of their religion or belief?

Religion or belief	Positive	Negative	None	Reasons for your decision
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Eliminating unlawful discrimination			x	Whilst NSET does not directly address unlawful discrimination because of religion or belief, where relevant we will work with stakeholders to build knowledge and implement changes which will aim to have a positive impact. The delivery of NSET is designed to be undertaken in a way that will not create unlawful discrimination related to this group.
Advancing equality of opportunity			x	Relatively limited evidence is available for this group. In line with NSET's overarching vision of a wellbeing economy, NSET is expected to advance equality of opportunity across equality groups. NSET Programmes 3, 4 and 5 set out Projects and Actions that support advancing equality of opportunity through removing barriers to participation in the labour market and through promoting Fair Work practices, which might have a positive impact on this group.
Promoting good relations			x	It is anticipated that the delivery of NSET might have a positive impact on promoting good relations among and between people with different religions or beliefs. As NSET seeks to address inequality of outcome for people across all protected characteristics, it is likely that this would raise awareness between different people of the difficulties faced by those who share one or multiple protected characteristics.

Do you think the policy impacts on people because of their marriage or civil partnership?

Marriage and Civil Partnership¹⁶⁵	Positive	Negative	None	Reasons for your decision
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¹⁶⁵ In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

Eliminating unlawful discrimination	N/A	N/A	N/A	N/A
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Stage 4: Decision making and monitoring

Identifying and establishing any required mitigating action

<p>Have positive or negative impacts been identified for any of the equality groups?</p>	<p>Following this impact analysis, a range of potentially direct and indirect positive impacts for people with protected characteristics have been identified from NSET Programmes, Projects and Actions. A number of the Projects and Actions within NSET specify that they will be targeted at under-represented groups, with particular examples in relation to entrepreneurial activity and participation in the labour market. The realisation of these impacts will depend on effective delivery, which is underpinned by NSET's Programme 6.</p> <p>The information provided in this EQIA outlines the available evidence and assesses the anticipated impact in relation to each protected characteristic. These impacts are expected to be positive in relation to removing barriers to participation in the labour market and promoting Fair Work practices.</p> <p>As noted above, limited data is available for some protected characteristics and the impacts of the cost crisis will require evidence to be updated over the coming months.</p> <p>There might potentially be a negative impact on relations among and between groups from targeting certain NSET actions towards particular groups of people, and it will be important to monitor this going forward.</p> <p>With regard to assessing the impacts of NSET on people with protected characteristics, it should be noted that specific policy interventions to implement some of the Projects and Actions under the six NSET Programmes are yet to be developed or are at a very early stage. As these develop further they will require their own EQIAs to ensure that the potential impacts on people with protected characteristics, including intersectional impacts, are fully considered.</p>
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	<p>In light of the above, and as supplemented by future, more detailed specific impact assessments to be carried out on particular Actions, this EQIA will be subject to further review and revision, including in light of developing evidence and circumstances as NSET is implemented over its 10-year lifespan.</p> <p>The delivery of NSET will include an effective monitoring and evaluation framework, which will include equalities monitoring and publication of an annual progress report. As part of this, it is essential to ensure that the identified impacts will be closely monitored and evaluated, which will provide ongoing information that will help ensure the delivery of NSET meets the three requirements of the PSED to eliminate discrimination, advance equality of opportunity and foster good relations.</p>
Is the policy directly or indirectly discriminatory under the Equality Act 2010 ¹⁶⁶ ?	No. There is no evidence within this EQIA that the policy is directly or indirectly discriminatory under the Equality Act 2010.
If the policy is indirectly discriminatory, how is it justified under the relevant legislation?	N/A
If not justified, what mitigating action will be undertaken?	N/A

Describing how Equality Impact analysis has shaped the policy making process

This EQIA has examined the three needs of the Public Sector Equality Duty, which require public authorities to, with respect to people with protected characteristics, eliminate discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations between persons who share a protected characteristic and those who do not.

Through undertaking this EQIA we have identified areas where there are potential direct and/or indirect impacts on different groups and where work can be taken forward to promote equality. In particular, the EQIA has demonstrated that the delivery of NSET will advance equality of opportunity across all protected characteristics, and in particular for the following groups: age, disability, sex, pregnancy and maternity, and race. This includes through effective delivery of NSET Projects aimed at removing barriers to participation in the labour market and to support Fair Work practices. It is also anticipated that the delivery of NSET might have a positive impact on fostering good relations among and between people

¹⁶⁶ See EQIA – Setting the Scene for further information on the legislation.

who share one or multiple protected characteristics and those who do not.

We have found no evidence of negative impacts for people with protected characteristics at this time, however we will keep this under review as part of the monitoring of this EQIA and as NSET Projects and Actions are developed further. For example, there might potentially be a negative impact on relations among and between groups from targeting certain NSET actions towards particular groups of people.

Examples of where and how our approach to developing NSET, including the development and design of some of the strategy's commitments, have been shaped and informed by the process of undertaking this EQIA are set out below. This includes changes that have been made in the process of NSET policy development, and any steps that have been or will be taken forward as a result of the data and evidence gathering and the impact analysis overall.

Wellbeing Economy

Our vision for Scotland is to create a wellbeing economy - that is, an economic system, within safe environmental limits, which serves and prioritises the collective wellbeing of current and future generations.

In the development and implementation of NSET, 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 internationally and we have made wellbeing an explicit part of our national purpose as a country, underpinning the NPF.

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 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.

We know that what we measure matters and in June 2022 we published an initial phase of a new Wellbeing Economy Monitor (WEM)¹⁶⁷ to build on the NPF and to track how we are performing as a wellbeing economy. The WEM will complement traditional metrics like GDP and help inform policy decisions to reduce Scotland's vulnerability to future financial and environmental shocks. It measures how the economy contributes to things that people really value, such as health, equality, environmental health, child poverty and Fair Work indicators.

Stakeholder Consultation and Data and Evidence Gathering

The development of NSET and its Delivery Plans has been shaped by data and evidence so that its Programmes of Action are designed to tackle long term structural challenges, build on our economic strengths and position Scotland to maximise the greatest economic opportunities of the next ten years. This evidence

¹⁶⁷ [Wellbeing economy monitor - gov.scot \(www.gov.scot\)](https://www.gov.scot/Wellbeing-economy-monitor)

includes the NSET Evidence Paper, the NSET Equality Position Statement, a semi-formal public consultation and extensive official and Ministerial-led engagement with stakeholders. Since publication of the strategy, our approach to developing NSET Delivery Plans has been responsive to feedback and input from a range of stakeholders across the private, public and third sector, including equality and human rights organisations, some of which represent people with lived experience.

Addressing gaps in evidence

The process of undertaking this EQIA has highlighted areas where there is limited evidence in relation to certain groups, in particular for religion or belief and gender reassignment. This will help inform our ongoing work to develop and strengthen the evidence base in relation to equality and the economy, including with regard to intersectionality. This might be further supported by the Scottish Government Equality Data Improvement Programme and ongoing stakeholder engagement. In addition to the limited data on certain groups, the impacts of the cost crisis will also require evidence to be updated over the coming months.

Developing NSET Programme-level, Project-level and/or Action-level EQIAs

Following engagement with equality stakeholders, we have undertaken a series of EQIAs to individually impact assess each of the transformational Programmes of Action. These EQIAs have been published alongside the NSET Delivery Plans and aim to consider how the implementation of NSET Programmes may potentially impact on people with protected characteristics in different ways. Equality legislation covers the protected characteristics of: age, disability, gender reassignment, sex, pregnancy and maternity, marriage and civil partnership, race, religion or belief, and sexual orientation.

With regard to assessing the impacts of NSET on people with protected characteristics, it should be noted that specific policy interventions to implement some of the Actions and Projects under the six Programmes of Action are yet to be developed or are at a very early stage. As these develop further, they will require their own EQIAs to ensure that the potential impacts on people with protected characteristics, including intersectional impacts, are fully considered.

NSET Governance

We have put in place robust governance structures to successfully and collectively deliver the interconnected Programmes of Action and transform the way in which Government and business listen to, support and work with each other. The governance structure consists of the Economic Leadership Group, the NSET Delivery Board, the NSET Portfolio Board and a Senior Responsible Owner for each of the NSET Programmes. More detail on the structure is included in the NSET Delivery Plan for Programme 6.

In light of the evidence and stakeholder feedback, it was essential to ensure that membership of the NSET Delivery Board is diverse to fully represent the people of Scotland, including a gender balanced approach to membership, representation from minority ethnic communities, and a voice for those in rural communities. It also consists of third sector expertise, who are championing and driving forward the fairer and more equal society agenda and equality considerations across the delivery of NSET to ensure that no one is left behind.

The Centre of Expertise in Equality and Human Rights

In May 2022, we established a new Centre of Expertise in Equality and Human Rights (the Centre) within the Scottish Government, which will advance our understanding and embed equality and human rights within the economic policy-making process. The Centre will support our entire approach across NSET by building capacity and embedding consideration of equality and human rights in economic policy development. It is intended to work with external stakeholders to increase economic policy officials' knowledge, understanding and confidence concerning equality and human rights, and support wider work to identify and address gaps in data and evidence. The Centre's training programme for economic policy officials will cover themes including the use of equality evidence and intersectionality, and options will be explored for partnership working with academic experts, stakeholder groups and people with lived experience, both to build the knowledge and understanding of officials in their policy-making work and to help improve the evidence base.

NSET Annual Progress reports and NSET Monitoring

The delivery of NSET will include an effective monitoring and evaluation framework. To support increased accountability, we will publish annual progress reports, which will include equalities monitoring, and ensure a consistent approach to evaluation that will drive coherent and informed improvements in spending decisions. As the monitoring and measurement of NSET Actions will inform the future implementation of Projects and decisions made by the NSET Delivery Board, improved data collection for equality groups could support the achievement of better outcomes for people with protected characteristics. As part of the monitoring process, the NSET Governance and Analytical Unit will engage with a number of stakeholders, including the Equality and Human Rights Budget Advisory Group. It is essential to ensure that the identified impacts will be closely monitored and evaluated, which will provide ongoing information that will help ensure the delivery of NSET meets the three requirements of the PSED to eliminate discrimination, advance equality of opportunity and foster good relations.

Changing economic context

We recognise that, as demonstrated by Brexit, COVID-19, the economic and inflationary consequences of Russia's invasion of Ukraine, and the economic turmoil we are currently experiencing as a result of recent UK Government policy announcements, economic conditions can change rapidly. In this context, we need to be ready to respond and adapt to these and any upcoming further changes that may occur when implementing NSET over the next decade. This may mean that we need to prioritise and/or focus our attention on developing certain NSET Projects that can best provide support or mitigate these potential shocks. In doing so, we will be mindful of the impact of our decisions, including decisions on spending. We have made a clear commitment to further embed equality and human rights within all stages of the Scottish Government's Budget process, taking account of the Equality Budget Advisory Group's recommendations,¹⁶⁸ to ensure our spend advances equality and human rights for all of Scotland's people.

¹⁶⁸ The Equality Budget Advisory Group is now the Equality and Human Rights Budget Advisory Group

Monitoring and Review

We will continue to proactively consider equality impacts throughout implementation of the six NSET Programmes of Action, as set out in the respective Delivery Plans and throughout NSET overall, creating a prioritised work plan to ensure the Projects and Actions we have laid out are taken forward, with a focus on advancing equality. This will support the achievement of the overarching NSET vision of a wellbeing economy and is expected to be reflected over time through the NPF and WEM.

In addition, as noted above, further EQIAs will be conducted as appropriate on specific policies that are developed to implement NSET so that human rights and equality are embedded in delivery of the strategy and to uphold the Scottish Government's obligations under the PSED.

As committed to under Project 18: Measure Success, we will publish an annual progress report for the NSET Delivery Board in order to enhance accountability, which will include equalities monitoring. The specifics regarding the content of the annual progress report are currently under consideration, however we will continue to monitor and engage with the emerging equality evidence as we finalise the content of the report and the common accountability framework with delivery partners. The indicators used will be complementary to those in the WEM and NPF, and where appropriate we will use the same measure. As part of the monitoring process, the NSET Governance and Analytical Unit will engage with a number of stakeholders, including the Equality and Human Rights Budget Advisory Group.

We will also seek to improve equality data collection, including through EDIP and Project 18 under Programme 6, so that our consideration of the potential impacts of economic policy on people with protected characteristics is informed by a strong evidence base.

This EQIA will be subject to further review and revision on an annual basis in line with the annual progress reports and in light of developing evidence and circumstances as NSET is implemented over its 10-year lifespan. This also applies to the NSET Programme-level EQIAs and more detailed EQIAs that will be carried out on specific NSET Projects and/or Actions in future.

Stage 5 - Authorisation of EQIA

Please confirm that:

- ◆ This Equality Impact Assessment has informed the development of this policy:

Yes No

- ◆ Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:

- Eliminating unlawful discrimination, harassment, victimisation;
- Removing or minimising any barriers and/or disadvantages;
- Taking steps which assist with promoting equality and meeting people's different needs;
- Encouraging participation (e.g. in public life)
- Fostering good relations, tackling prejudice and promoting understanding.

Yes No

- ◆ If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination, harassment and victimisation in respect of this protected characteristic:

Yes No Not applicable

Declaration

I am satisfied with the equality impact assessment that has been undertaken for the Scotland's National Strategy for Economic Transformation and give my authorisation for the results of this assessment to be published on the Scottish Government's website.

Name: Aidan Grisewood

Position: Director of Economic Strategy Directorate

Authorisation date: 27 October 2022

EQUALITY IMPACT ASSESSMENT - RESULTS

Title of Policy	Scotland's National Strategy for Economic Transformation
Summary of aims and desired outcomes of Policy	<p>The aim of NSET is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions.</p> <p>NSET sets an ambition for Scotland to become:</p> <ul style="list-style-type: none"> • 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. <p>Each of the six NSET Programmes of Action include their own aims and outcomes.</p>
Directorate	Economic Strategy Directorate

Executive summary

The Equality Act 2010 places a duty (known as the Public Sector Equality Duty, or PSED) on public authorities to have due regard to the need to eliminate discrimination, advance equality of opportunity, and promote good relations between people who share a protected characteristic and those who do not. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 (Regulation 5) require public authorities to assess and review policies and practices against the three needs of the PSED.

Therefore, the Scottish Government has undertaken an overarching NSET equality impact assessment (EQIAs) as part of the process of developing the strategy and the policies that it contains. It should also be noted that, as part of this process, EQIAs were undertaken to impact assess each of the transformational Programmes of Action. These EQIAs have been published separately alongside the NSET Delivery Plans.

This EQIA aims to consider how a policy may impact, either positively or negatively, different sectors of the population in different ways. Where any negative impacts

have been identified, we have sought to mitigate/eliminate these. We are also mindful that the equality duty is not just about negating or mitigating negative impacts, as we have a positive duty to promote equality. The development of this EQIA has been underpinned by equality legislation and covers the protected characteristics of: age, disability, gender reassignment, sex, pregnancy and maternity, race, religion or belief, and sexual orientation.¹⁶⁹

The vision of Scotland's National Strategy for Economic Transformation (NSET)¹⁷⁰, published on 1 March 2022, is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions. The strategy sets out an ambition that Scotland's economy will significantly outperform the last decade, both in terms of economic performance and tackling structural economic inequalities.

The task of transforming our economy requires an equally radical transformation in the way we deliver results through the transformational Programmes of Action set out in NSET. Effective delivery is crucial to delivering the strategy's aims, and this must embed and pay due regard to the three needs of the PSED if the strategy is to achieve economic prosperity for all Scotland's people and places and have the intended positive impacts on people with protected characteristics.

While NSET's six Programmes are each subject to individual EQIAs, this EQIA aims to look at NSET through a more holistic lens to explore how the overall economic policy direction of the Scottish Government over the course of the next 10 years, as set out in NSET, might impact on people with protected characteristics. It further also examines the principles of safeguarding the implementation of NSET over the course of the next decade with respect to equality and the three needs of the PSED.

A number of NSET commitments under the six Programmes of Action have already been taken forward and are currently being developed and implemented. However, some are at early stages of development and, as implementation is taken forward and specific actions are identified, their respective EQIAs will continue to be updated in light of further evidence and engagement with stakeholders. This EQIA therefore sets out preliminary and indicative impacts of known commitments of NSET and, alongside further stakeholder engagement, will help inform decisions that are taken in the further development and implementation of NSET.

Examples of some of the NSET commitments and approaches that have been influenced by the data and evidence gathered as part of this EQIA process are:

- *NSET's vision of creating a Wellbeing Economy*: NSET's overarching vision for Scotland is to create a wellbeing economy - an economic system, within safe environmental limits, which serves and prioritises the collective wellbeing of current and future generations.
- *Developing NSET Programme-level, and Project-level and/or Action-level EQIAs where relevant*: this overarching NSET EQIA highlighted the need to develop Programme-level EQIAs for each of the six Programmes of Action,

¹⁶⁹ Whilst Marriage and Civil Partnership is also covered by equality legislation, it has not been subject of this EQIA as the Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices.

¹⁷⁰ [Scotland's National Strategy for Economic Transformation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/nset-2022-03/pages/introduction.aspx)

and, where relevant, also at Project and/or Action level of the respective Programmes.

- *NSET Governance*: in light of the data and evidence gathered as part of this EQIA process, it was essential to ensure that membership of the NSET Delivery Board is fully representative of the people of Scotland and has access to information from people with lived experience of having protected characteristics, including a gender balanced approach to membership, representation from minority ethnic communities and the third sector, and a voice for those in rural communities.
- *NSET Annual Progress Reports and NSET Monitoring*: equality considerations have guided our approach towards NSET evaluation and data collection. Data collected as part of the evaluation and annual progress report will be broken down by equality groups where possible. Additionally, equality stakeholders, including the Equality and Human Rights Budget Advisory Group, will be consulted as part of the ongoing evaluation and monitoring of NSET.
- *NSET commitment to establish the Centre of Expertise for Equality and Human Rights*: established in May 2022, the Centre of Expertise in Equality and Human Rights will offer a training programme for economic policy officials, to cover themes including the use of equality evidence and intersectionality in economic policy making; and options will be explored for partnership working with academic experts, stakeholder groups and people with lived experience, both to build the knowledge and understanding of officials in their policy-making work and to help improve the evidence base.
- *EQIA Review and Revision*: we will review and revise this EQIA on an annual basis in line with annual progress reports and in light of any new data and developing circumstances as NSET is implemented over its 10-year lifespan. This also applies to the NSET Programme-level EQIAs and more detailed EQIAs that will be carried out on specific NSET Projects and/or Actions in future.
- *NSET prioritisation and spend*: economic conditions can change rapidly. As we respond and adapt to changing circumstances over the next 10 years, we may need to prioritise and/or focus our attention on developing certain NSET commitments that can best provide support or mitigate potential shocks. In doing so, we will be mindful of the impact of our decisions, including decisions on spending, embedding equality and human rights within all stages of the Scottish Government's Budget process to ensure our spend advances equality and human rights for all of Scotland's people.

Through undertaking this EQIA, we have identified areas where there are potential direct and/or indirect impacts on different groups and where work can be taken forward to promote equality. This process has demonstrated that NSET delivery will advance equality of opportunity across all protected characteristics, and in particular for the following groups: age, disability, sex, pregnancy and maternity, and race. It is also anticipated that the delivery of NSET might have a positive impact on fostering good relations among and between people who share one or multiple protected characteristics and those who do not. We have found no evidence of negative impacts for people with protected characteristics at this time.

A summary of NSET commitments that are expected to have a positive impact on people with protected characteristics is set out below:

- Stimulate entrepreneurship by embedding first rate entrepreneurial learning across the education and skills systems;
- Create a world class entrepreneurial infrastructure on 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.

This EQIA has also highlighted areas where there is limited evidence concerning certain groups, in particular for religion or belief and gender reassignment, and also in relation to intersectionality. This will help inform our ongoing work to develop and strengthen the evidence base regarding equality and the economy, as well as intersectionality. This might be further supported by the Scottish Government Equality Data Improvement Programme (EDIP) and stakeholder engagement. Given gaps in evidence in relation to intersectionality, combined with the impacts of the current cost crisis on people with protected characteristics and low income households, further work will be required to build our understanding of the potential positive and negative impacts of delivery of NSET.

We will continue to proactively consider equality impacts throughout implementation of NSET, creating a prioritised work plan to ensure the Projects and Actions we have laid out are taken forward, with a focus on advancing equality. This approach will support the achievement of the overarching NSET vision of a wellbeing economy and is expected to be reflected over time through the National Performance Framework and the Wellbeing Economy Monitor.

Further equality impact assessments will be conducted as appropriate on specific policies that are developed to implement NSET so that human rights and equality are embedded in delivery of the strategy and to uphold the Scottish Government's obligations under the PSED.

We will publish an annual progress report for the NSET Delivery Board in order to enhance accountability, which will include equalities monitoring. As part of this, we will continue to monitor and engage with the emerging equality evidence as we finalise the content of the report and the common accountability framework with delivery partners.

This EQIA will be subject to further review and revision, including in light of developing evidence and circumstances as NSET is implemented over its 10-year lifespan. This may result in the need to adapt our policies to ensure we mitigate any direct or indirect negative impacts and deliver positive impacts on people with

protected characteristics. We will also seek to improve equality data collection, including through EDIP and Programme 6, so that our consideration of the potential impacts of economic policy on people with protected characteristics is informed by a strong and evolving evidence base.

Background

In 2021, the SNP Manifesto¹⁷¹ made a commitment to delivering Scotland's National Strategy for Economic Transformation. In July 2021, the Scottish Government established an Advisory Council for Economic Transformation made up of business leaders, trade unions, academics and economists to help shape the strategy, which was published in March earlier this year.

In recognition of the breadth of direct and indirect impacts that delivery of NSET will have across all parts of society in all areas of Scotland, an extensive engagement programme has been undertaken with a broad range of stakeholders, including with equality and human rights stakeholders and through a semi-formal 9-week consultation that received over 260 responses. Building on the pre-publication consultation and stakeholder engagement, since the launch of NSET Ministers have undertaken an extensive programme of engagements, including roundtables, events, and boardroom meetings. In total they have engaged with more than 150 stakeholders across business, public and third sectors in small settings, as well as addressing hundreds more at events including at the Scotland House Vision for Trade Event, Unlocking Ambition showcase event, and the National Economic Forum. The pre-publication and post-publication stakeholder engagement has helped shape and inform NSET's vision and ambition, as well as the six transformational Programmes of Action and their Delivery Plans.

In addition, the NSET Evidence Paper¹⁷² set out evidence on the structure and performance of Scotland's economy, and identified areas for action to deliver transformational improvements in Scotland's economic performance. Evidence concerning economic inequalities and the experiences of people with different protected characteristics in relation to Scotland's economy was brought together in the NSET Equality Position Statement¹⁷³.

A full summary of official and ministerial stakeholder engagement and evidence and data gathering which has shaped the development of NSET and this EQIA can be found in the NSET EQIA Record section of this document.

Scope of the EQIA

The scope of this EQIA is to consider the impact of NSET delivery on people with protected characteristics. The economy impacts everybody, regardless of their age, ethnicity, sex and other characteristics. Therefore, the implementation of NSET is expected to impact on everybody. The commitments under NSET are intended to

¹⁷¹[SNP 2021 Manifesto: Scotland's Future, Scotland's Choice — Scottish National Party](#)

¹⁷²[1. Introduction - Scotland National Strategy for Economic Transformation: evidence paper - gov.scot \(www.gov.scot\)](#)

¹⁷³[1. Background and Policy Aim - Scotland's National Strategy for Economic Transformation: equality position statement - gov.scot \(www.gov.scot\)](#)

support and 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 impacts that Scotland's economy has on their lives are different. Taking a person-centred, intersectional approach to considering the implementation of policies and actions can help to address entrenched inequalities and cumulative impacts on people, and particularly those who experience disadvantage.

This EQIA has been informed by detailed analysis of existing evidence and data (both qualitative and quantitative) in order to draw out the potential impacts that the delivery of NSET might have on people with protected characteristics as set out in the Equality Act 2010.

Specifically, this EQIA assesses the impacts of applying a proposed new or revised policy or practice against the needs relevant to a public authority's obligations under the Public Sector Equality Duty. The needs are to:

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity; and
- Foster good relations.

As well as the stakeholder engagement noted above, evidence and data on groups of people with protected characteristics have been gathered and analysed from a range of published national and UK research papers, reports, studies and surveys relating to income and earnings, poverty and child poverty, labour market and employment, and the COVID-19 pandemic. Statistics and data have been gathered from Scotland's Annual Population Survey 2020/21, NSET's Evidence Paper (2022) and Scottish Government Labour Market briefings. Research papers and publications such as *If Not Now, When?* by the Social Renewal Advisory Board (2021), *UK Poverty 2020/21* by the Joseph Rowntree Foundation, and Tackling Child Poverty Delivery Plan progress reports have also been used to provide evidence.

The evidence-gathering exercise has highlighted areas where there is limited evidence on certain groups, in particular for religion or belief and gender reassignment, and also in relation to intersectionality, which we will seek to address through Project 18, EDIP and stakeholder engagement.

Key Findings

Through undertaking this overarching NSET EQIA, we have identified areas where there are potential direct and/or indirect impacts on different groups and where work can be taken forward to promote equality. This process has demonstrated that, in line with its overarching vision of a wellbeing economy, NSET is anticipated to advance equality of opportunity across all protected characteristics, and in particular for the following groups: age, disability, sex, pregnancy and maternity, and race. This will be done through effective delivery of NSET Programmes, Projects and Actions aimed at removing barriers to participation in the labour market and supporting Fair Work practices. It is also anticipated that delivery of NSET might have a positive impact on fostering good relations among and between people who share one or multiple protected characteristics and those who do not.

We have found no evidence of negative impacts for people with protected characteristics at this time, however we will keep this under review as part of the monitoring of this overarching EQIA, and as the commitments within NSET are developed further over the course of the next decade and will be subject to their own EQIAs. For example, there might potentially be a negative impact on relations within and/or between groups from targeting certain NSET actions.

This EQIA process has also highlighted a number areas where the principles of safeguarding the implementation of NSET with respect to equality and the three needs of the PSED will be of particular importance. These include NSET governance, NSET reporting and monitoring, NSET prioritisation and spend, and EQIA review and revision over the strategy's 10-year lifespan.

In addition, through undertaking this EQIA, we have identified some limitations in evidence and data on groups with protected characteristics in relation to the economy. This, in particular, applies to religion or belief and gender reassignment, and also to intersectionality. This EQIA has highlighted the need for more comprehensive and higher-quality evidence, as well as insight, to enable us to assess how policy decisions in the delivery of NSET are fair and are advancing equality of opportunity.

A full summary of the evidence and data gathering on protected characteristics, which has shaped the development of NSET, its Delivery Plans and this EQIA can be found in the Record section of this document.

Recommendations and Conclusion

The EQIA process did not identify indirect or direct discrimination through the policy intentions of NSET. It has shown that despite limited evidence for some protected characteristics, evidence for the wider context shows that the impact of NSET delivery will be positive and will advance equality of opportunity across all protected characteristics. In particular, this applies to the following groups: age, disability, sex, pregnancy and maternity, and race. For religion or belief, gender reassignment and intersectionality we have particularly limited data. We have found no evidence of negative consequences at this time; however, in line with best practice we will keep this under review as part of the monitoring of this EQIA.

Where limitations in data and evidence have been found we will seek to strengthen the evidence base. Project 18, Measure Success, under NSET Programme 6, will continue to work to improve data collection on protected characteristics, and consider how such data could link with other relevant publications such as the Wellbeing Economy Monitor. This work may also be supported by the Scottish Government EDIP programme and through further stakeholder engagement, including with the Equality and Human Rights Budget Advisory Group.

For some of the NSET commitments, specific policy interventions are either at early stages or are yet to be developed. As these develop they will require their own EQIAs, which should also be subject to periodic updates throughout the

duration of the strategy to ensure that barriers for each protected characteristic are fully considered.

It is recommended that particular regard is paid to the principles of safeguarding the implementation of NSET with respect to equality and the three needs of the PSED in the following areas: NSET governance, NSET reporting and monitoring, NSET prioritisation and spend, and EQIA review and revision over the strategy's 10-year lifespan.

This EQIA will be kept under regular review, with new data and evidence analysed as we improve data collection to monitor the impact delivery of NSET is having on people with protected characteristics. The Programmes, Projects and Actions within NSET include both new and existing policies and commitments. This EQIA reflects the current position and in addition we will:

- Review and revise this EQIA on an annual basis in line with annual progress reports and in light of any new data or evidence and developing circumstances as NSET is implemented over its 10-year lifespan. This also applies to the NSET Programme-level EQIAs and more detailed EQIAs that will be carried out on specific NSET Projects and/or Actions in future; and
- Undertake EQIAs at an appropriate point in time when a proposed new or revised policy occurs during the 10 year lifecycle of NSET.



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