

Scotland's National Strategy for Economic Transformation Programme 1: Entrepreneurial People and Culture 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 – Programme 1: Entrepreneurial People and Culture
Minister	John Swinney MSP, Deputy First Minister and Cabinet Secretary for Covid Recovery
Lead official	Stephen O'Neill, Interim Deputy Director, Technology, Innovation and Enterprise
Directorate	Economic Development Directorate
Is this new policy or revision to an existing policy?	Implementation of policies as set out in the Scotland's National Strategy for Economic Transformation - Programme 1: Entrepreneurial People and Culture

Screening

Policy Aim

The vision of Scotland's 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 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.

The policies covered in this Equality Impact Assessment (EQIA) are those detailed in NSET Programme 1: Entrepreneurial People and Culture.

The aim of Programme 1 of NSET is to 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.

Within Programme 1 on Entrepreneurial People and Culture, the following projects in particular are expected to make a significant contribution to addressing and mitigating existing and potential future inequalities in Scotland's labour market and economy:

Project 1 - Embed first rate entrepreneurial learning across the education and skills systems by promoting the best available project-based entrepreneurial learning across the school and post-16 education curricula. This means building new partnerships between business and our education system, offering schools, colleges and universities a network of relationships

with high-quality start-ups and individual entrepreneurs - providing young people with inspirational mentors and role models. This work will focus initially on schools in areas of multiple deprivation. It means embedding entrepreneurship in the Young Person's Guarantee, adapting the apprenticeship system to make it work for start-ups and early stage scale-ups and working with the university and college sector to build entrepreneurial campus infrastructure.

Project 2 - Create major, new world-class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies, expanding the scope of the current tech-scaler programme to become "start-up scalers", world-class incubation and developmental environments for all high growth start-ups, supporting this network through the creation of a national system of "pre-scaler hubs" to stimulate the early stages of high growth entrepreneurship and provide the expanding scaler network with a steady supply of promising new businesses, developing and aligning private sector incubators within this new our national entrepreneurial infrastructure, and in doing all of this focussing rigidly on the need to ensure barrier-free access to support programmes for under-represented groups.

Project 3 - Attract and retain the very best entrepreneurial talent from at home and abroad. Making the best use of international networks and diaspora to attract talent and investment, leveraging Scotland's strength in corporate sectors (such as financial services) in order to develop innovative, industry-led pathways to redirect talent into building new companies, building strategic partnerships with ecosystems in other countries to create company exchange programmes, new commercial partnerships and international trade opportunities for Scottish businesses and supporting universities to attract entrepreneurial students from around the world by providing post-education pathways that help retain their expertise.

Project 4 - Build an entrepreneurial mind-set in every sector of our economy, expanding the application of entrepreneurial thinking and approaches to public service reform, ensuring people working in the public and third sectors have an opportunity to undertake entrepreneurial training as part of their ongoing professional development, building on the success of our CivTech programme by leveraging public procurement to stimulate more business start-ups and support Scottish scale ups, making engagement with CivTech a mandatory part of the way in which the big change programmes of Government are delivered, proactively promoting business start-up opportunities to those at risk of redundancy through the Partnership Action for Continuing Employment (PACE) programme and implementing metrics to reward entrepreneurial approaches and activity within public sector bodies.

Who will it affect?

The NSET recognises that, whilst the economy impacts everybody, the impact is not felt equally for people with one or more Protected Characteristics. Therefore, we recognise that people falling within these groups will need

additional support to ensure they are able to participate in our economy. Actions identified in NSET are intended to drive Scotland's overall economic prosperity to the benefit of all our people.

Several of the actions in Programme 1 target measures specifically towards supporting people with particular Protected Characteristics, recognising that barriers to entrepreneurship continue to exist for certain groups of people.

Equality legislation covers the Protected Characteristics of: age, disability, sex, pregnancy and maternity, marriage and civil partnership, gender reassignment, sexual orientation, race, and religion or belief.

Specifically, the 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.

Actions targeted in Programme 1 look to support people with Protected Characteristics as well as considering wider factors such as socio-economic background. This latter group is particularly important to recognise in the wake of the pandemic and the ongoing cost of living crises.

The following table highlights the stakeholders and people this policy will impact.

Project	Who will it affect?	
	Stakeholders and action leads	Specific groups identified in policy
Project 1: Embed First Rate Entrepreneurial Learning Across the Education and Skills Systems	Public Sector, Business and Partners	<ol style="list-style-type: none"> 1. Young people (16 – 24 years old) 2. Women 3. Regions and communities 4. Those residing in areas of multiple deprivation
Project 2: Create a World Class Entrepreneurial Infrastructure of Institutions and Programmes Providing a High Intensity Pathway for High Growth Companies	Public Sector, Business and Partners	<ol style="list-style-type: none"> 5. Those on low incomes 6. Those without qualifications at further or higher education 7. Those in the six priority groups at greatest risk of child poverty

		8. Those who are unable to afford time out from a full-time job or caring responsibilities to develop ideas
Project 3: Attract and Retain the Very Best Entrepreneurial Talent from at Home and Abroad	Public Sector, Business and Partners	9. International entrepreneurs 10. International students
Project 4: Build an Entrepreneurial Mindset in Every Sector of our Economy	Public Sector, Business and Partners	11. Those at risk of redundancy 12. All population groups

What will prevent the desired outcomes being achieved?

SOCIAL AND ECONOMIC BARRIERS AND NEGATIVE ATTITUDES TOWARDS ENTREPRENEURSHIP AS A CAREER

We know that the effects of COVID-19 and the cost of living crisis have, and continue to, impact disproportionately on those who were already experiencing inequalities. In addition, whilst the adverse economic impacts resulting from the COVID-19 pandemic are still unfolding, the pandemic has had a particular impact on reducing resources and resilience among businesses across Scotland, with an increase in corporate debt and some business still continuing to focus on survival.

What this also means is that for some the option of starting an entrepreneurial career may not be viable or attractive as it has been before. The latest Global Entrepreneurship Monitor found that:

“Among non-entrepreneurs in Scotland, this belief in their abilities to undertake entrepreneurial activity has declined by 20 percentage points since 2019. In contrast, the perception of good start-up opportunities is now higher than in 2019 having strongly recovered from a sizable slump in 2020, but the fear of failure among those that perceive good start up opportunities remains high, especially in the North-Eastern region.”¹

¹ [GEM Global Entrepreneurship Monitor \(gemconsortium.org\)](https://gemconsortium.org)

To encourage more people to choose entrepreneurship as a career, thereafter enabling them to access better employment opportunities and widen their range of viable career choices, we will offer support to help them overcome existing social and economic barriers to starting a business, thus leveraging entrepreneurship to create attractive and accessible pathways to improved social justice and economic fairness.

Programme 1 recognises this by targeting particular equalities groups with appropriate additional support.

This support will be monitored and adjusted as/if required, taking account of changes in the economic environment in order to ensure it continues to benefit those groups identified as being most at risk of poverty and exclusion.

NOT EMBEDDING ENTREPRENEURIAL THINKING AND MIND-SET

Achieving the desired outcomes on entrepreneurship will be dependent on, and will involve a need for entrepreneurs, private sector and the public sector to take action to adopt new behaviours and thinking to embed entrepreneurial learning and thinking.

This shift in approach will not occur organically. To ensure this is achieved, Programme 1 targets training, education and the implementation of metrics to reward entrepreneurial approaches and activity within public sector bodies.

UNCLEAR SIGNPOSTING OF SUPPORT PROGRAMMES

With numerous entrepreneurial and educational programmes on offer in the Scottish business and start-up ecosystem, it is important that public sector, enterprise agencies, academia and industry work together to provide clear information to the public on what support is available and how to access it.

This clear signposting of support and information should be accessible, clear, and shared across Scotland, so that everyone is able to benefit from what is on offer and key messages are not lost.

Stage 1: Framing

Results of framing exercise

The NSET and Programme 1 seek to ensure that any of the economic and entrepreneurial opportunities are accessible to the diversity of people across Scotland. Some of the actions of NSET Programme 1 target support for women and those who reside in areas of multiple deprivation.

The NSET is informed by a wide evidence base. In 2021, the Scottish Government established a new Advisory Council for Economic Transformation², including industry representatives, trade unions, academics, and economist, to shape the strategy. It also engaged extensively with a wide range of stakeholders across Scotland, including through a semi-formal, 9-week consultation that received over 260 responses. At the time of the NSET publication, the Scottish Government also published an NSET Equality Position Statement³ which outlined the equality evidence that was considered during the production of NSET.

During the development of NSET, a number of Ministerial and official-led roundtables and meetings with equality and human rights stakeholders took place. These include:

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

The Stewart Review on gender in enterprise has involved extensive engagement with individual entrepreneurs as well as public, private and third sector organisations from education, investment and business support. Given the intersectional nature of many of the challenges the Review aims to address, this engagement has included discussions with minority ethnic business representatives.

Another piece of work that feeds into NSET Programme 1 and continues to consult stakeholders widely is the Scottish Tech Ecosystem Review (STER)⁴, commissioned by the Cabinet Secretary for Finance and the Economy in 2020 and written by Professor Mark Logan. STER is a blueprint to establish

² [Advisory Council for Economic Transformation - gov.scot \(www.gov.scot\)](http://gov.scot)

³ [Scotland's National Strategy for Economic Transformation: equality position statement - gov.scot \(www.gov.scot\)](http://gov.scot)

⁴ [Scottish technology ecosystem: review - gov.scot \(www.gov.scot\)](http://gov.scot)

Scotland as a leading hub for tech start-ups. Industry and wider public sector engagement took place (and continues to take place) through a variety of means including the STER Advisory Board made up of Scotland's top entrepreneurs and tech leaders, and continues to take place through the Computing Science in Schools Working Group and Senior Steering Group which act as vehicles for consultation with a wide range of education stakeholders in Scotland. The Senior Steering Group is led by the Cabinet Secretary for Education and Skills and is comprised of senior leaders from the Scottish Qualifications Agency (SQA), Skills Development Scotland (SDS), Education Scotland (ES) and the Scottish Funding Council (SFD).

Policy Officials working on STER and NSET Programme 1 also continue to engage and consult with entrepreneurs and organisations representing and supporting people with Protected Characteristics. One of these organisations is Code Your Future, which supports people, including refugees, to gain the skills and networks necessary to progress in education and employment.

In terms of monitoring, NSET will publish an annual progress report from the NSET Delivery Board, which will include equalities monitoring.

Summary

For all the groups with Protected Characteristics, we do not have a full intersectional picture of what barriers these groups face in relation to entrepreneurship. The only exception is the Ana Stewart review on women's entrepreneurship which is looking to close knowledge gaps related to the experiences of women in entrepreneurship. We will, however, seek to close those gaps as we move forward.

Challenges in accessing entrepreneurial careers, which are shared by all groups with Protected Characteristics to different degrees, include: limited access to investment capital and networks of support, household poverty (making it harder for individuals to invest time in business activities which do not have the prospect of an immediate/regular secure financial return) and barriers to accessing training and education.

A particular opportunity within Programme 1 to support all the groups with Protected Characteristics is the action to support under-represented entrepreneurs. This action aims to:

Set targets and focus on providing access to support programmes from amongst the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education, 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 entrepreneurship⁵.

The groups mentioned in this action are not exhaustive and entrepreneurs from across the Protected Characteristics will therefore be considered to specifically consult as part of the most under-represented groups as well. This will be considered during the delivery and planning of this action.

Age

Programme 1 will have significant positive impacts on young people (16-24) in particular as policies in this programme aim to support developing young people's entrepreneurial journeys. Examples of policies positively supporting young people access high-value careers in entrepreneurship include: embedding entrepreneurship in the Young Person's Guarantee, reviewing the apprenticeship system, creating a pathway to role models and promoting project-based entrepreneurial learning across the school and post-16 education curricula.

Although Programme 1 does not specifically target older people (55+), it makes a reference to supporting people from the most underrepresented groups. The TEA⁶ rate amongst people aged between 55-64 year-old is the lowest amongst the age groups at 6.6%⁷. People in this group are also at particular risk of exclusion. Despite the general increase in internet access at home (42% in 2003; 93%⁸ in 2020)⁹, digital participation is generally lower among the older population and average internet use decreases with age¹⁰. In addition, those aged over 50 face employment barriers in three key areas: communities, access to services and financial security¹¹. Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group¹².

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support will be needed to attract and support younger entrepreneurs (16-25 years) and older entrepreneurs (55+). We will also discuss and consider with analysts how data gaps on entrepreneurship for these groups can be improved.

Disability

⁵ [Scotland's National Strategy for Economic Transformation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/national-strategy-for-economic-transformation/pages/2022-01-13-01.aspx)

⁶ Total Early-stage Entrepreneurial Activity

⁷ [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/)

⁸ Note that due to the Covid-19 pandemic affecting survey methodology, the results of the SHS 2020 telephone survey are not directly comparable to Scottish Household Survey (SHS) results for previous years.

⁹ [Supporting documents - Scottish Household Survey 2020 - telephone survey: key findings - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/supporting-documents-scottish-household-survey-2020-telephone-survey-key-findings/pages/2022-01-13-01.aspx)

¹⁰ [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/2022-01-13-01.aspx)

¹¹ [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/2022-01-13-01.aspx)

¹² [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/2022-01-13-01.aspx)

Actions in Programme 1 aim to promote equal opportunities and equality and have a scope to address barriers to access and positively impact disabled people. Therefore, we will engage with disabled people and groups as policies develop.

During stakeholder consultations, stakeholders 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.

Although not explicitly mentioned in NSET, an example of where accessibility has been considered in policy development is our national Tech Scaler network which is government backed and forms part of the Scottish Government's economic policy plans¹³. Tech Scaler offers a platform for commercial education, enterprise advice and support both online and offline, ensuring that opportunities are available equally to anyone in Scotland regardless of individual circumstances or background. As Tech Scaler and the Pre-Scalers hubs mentioned in NSET are connected in aim, a similar approach will also be considered during the development and delivery of the Pre-Scaler hubs and any other physical infrastructure.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support will be needed to attract and support disabled entrepreneurs. We will also discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Neurodiversity

We are discussing neurodiversity under a separate heading to include the experiences of different people as we recognise that not all neurodivergent people consider themselves to be disabled. At the same time, under the Equality Act 2010, neurodivergent conditions meet the legal definition of disability.

Research by SDS on Neurodiversity and Tech in Scotland (2020) found that 1 in 10 people in Scotland are neurodivergent and that there is also research indicating that people with Attention Deficit Hyperactivity Disorder (ADHD) and dyslexia in particular can display a specific strength for entrepreneurialism. The same research also points towards neurodivergent people showing particular strengths in creativity and innovation¹⁴.

¹³ World-class incubation and developmental environments for high-growth internet economy start-ups. Tech-scalers will provide a mix of commercial education, physical co-location, peer learning, networking and the capacity for full virtual access to high-growth businesses all over Scotland. The creation of the Tech Scalers network delivers a commitment of the Programme for Government 2021-22 and a key recommendation from the 2020 Scottish Tech Ecosystem Review. See more: [Scottish technology ecosystem: review - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions-and-statements/scottish-technology-ecosystem-review-2020/)

¹⁴ [neurodiversity-in-digital-technology-summary-report.pdf \(skillsdevelopmentscotland.co.uk\)](https://www.skillsdevelopmentscotland.co.uk/neurodiversity-in-digital-technology-summary-report.pdf)

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support will be needed to attract and support neurodivergent entrepreneurs into entrepreneurial careers. We will also continue to draw on the expertise gathered by organisations such as SDS and discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Sex

The Global Entrepreneurship Monitor (2022) found that among TEA entrepreneurs, there remains a significant difference between males and females in terms of the extent to which “to earn a living because jobs are scarce” motivated the entrepreneurial activity¹⁵.

Within Programme 1 there are various workstreams underway to support more women into entrepreneurial careers and to support the upskilling of women.

Therefore, Programme 1 of the NSET is expected to have a positive impact on the ability for women to choose and advance a career in entrepreneurship.

The NSET recognises that there is a considerable gender gap in Scotland when it comes to entrepreneurship and part of the aims of the NSET are to bridge these structural and entrenched inequalities.

In particular, the Ana Stewart review of women’s entrepreneurship in Scotland will provide strong support, data and recommendations to ensure more women and girls are supported in continuing and able to start their entrepreneurship journeys. The review will inform the design and delivery of policies in this area.

Pregnancy and maternity

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact those who are pregnant and those caring for children (most of whom identify as women).

During NSET consultation 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 action on affordable childcare was critical for a gender-equal economic recovery.

Research and stakeholder engagement has shown that pregnant people and parents (women in particular) and households with a single earner struggle more with cashflow and the resources and time to start an entrepreneurial career.

¹⁵ [GEM Global Entrepreneurship Monitor \(gemconsortium.org\)](https://gemconsortium.org)

In addition, job safety will be important for many people, including those in the most precarious situations. Therefore, to advance equality of opportunity, the NSET Programme 1 commits to providing access to support programmes to those from the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would be delivered through 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 to start a business.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support pregnant entrepreneurs and entrepreneurs caring for children (most of whom are women). We will also discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Gender reassignment

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to address barriers to access and positively impact transgender people and entrepreneurs.

Although data on transgender people is scarce, the NSET has collected data that suggests trans students experience harassment and discrimination at Higher Education (HE) institutions and, for some, this has a significant negative impact on their studies, future plans and skills¹⁶.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support transgender entrepreneurs. We will also discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Sexual Orientation

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to address barriers to access and positively impact LGBT+ people and entrepreneurs.

Whilst attitudes towards lesbian, gay and bisexual people have become more positive over the past decade in Scotland, they continue to face a range of inequalities and disadvantage across a number of areas and settings including employment, healthcare and education.

Compared to heterosexual adults, lesbian, gay, bisexual or other adults were more likely to be younger, live in deprived areas, report bad general health, be unemployed and have a degree¹⁷.

¹⁶ [Trans People and Work in Scotland \(lgbthealth.org.uk\)](https://lgbthealth.org.uk)

¹⁷ [Sexual orientation in Scotland 2017: summary of evidence base - gov.scot \(www.gov.scot\)](https://www.gov.scot)

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support LGBT+ entrepreneurs.

Race

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact people from minority ethnic backgrounds.

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 costs¹⁸.

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 poverty¹⁹.

Some minority ethnic households are also more likely to live in the most deprived areas in Scotland compared to white Scottish/British households²⁰.

Analysis by ethnicity shows a TEA rate of 15.5%²¹ 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.

Consultation with 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.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support minority ethnic entrepreneurs.

Religion or belief

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to address barriers to access and positively impact people of different religions or beliefs.

¹⁸ [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot)

¹⁹ [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot)

²⁰ [Housing needs of minority ethnic groups: Evidence review](#)

²¹ [Global Entrepreneurship Monitor: Scotland Report 2021/2022 \(strath.ac.uk\)](https://strath.ac.uk)

We know that some religions are at more risk of discrimination. In 2015-17, relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%).

There is relatively limited data on religion and entrepreneurship for Scotland. Therefore, during future development and delivery of policies, further consultations should be carried out with stakeholders to understand what type of support will be needed to attract and support people of different religions or beliefs into entrepreneurship.

Marriage and Civil Partnership

This has been considered but is not seen as applicable as EQIAs 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.

Extent/Level of EQIA required

Following the framing exercise, there is a need to carry out project-level EQIAs for each of the four projects as the policies are developed and delivered. This is because the four projects tackle distinctively different areas of entrepreneurialism and because all of the policies are still in development meaning there is a need to capture specific impacts as the policies progress. Timelines will be made available alongside updated delivery plans.

Stage 2: Data and evidence gathering, involvement and consultation

Characteristic ²²	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
<p>AGE</p>	<p>Young people Young people (16-24 year olds) are more likely to be unemployed than older age groups and are vulnerable to long-term employment ‘scarring’²³. They are more likely to earn less than the real Living Wage, and are more likely to be financially vulnerable and in unmanageable debt.</p> <p>11.5% of young people aged 16-24 were not in employment, education or training (NEET) in 2021 (Jan-Dec). This represents a decrease of 0.9 percentage points from the previous year (2020), but is 1.3 percentage points higher than 2019.</p> <p>There is recent evidence of significant improvement in business start-ups in the younger age groups.</p> <p>Scotland’s TE) rate for the 18-29 age group has increased over time to catch-up with rates in England and</p>	<p>Annual survey of hours and earnings: 2021 - gov.scot (www.gov.scot) Wealth in Scotland 2006-2020 (data.gov.scot)</p> <p>Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot (www.gov.scot)</p> <p>Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot (www.gov.scot)</p> <p>Scotland's National Strategy for Economic Transformation: Evidence Paper (www.gov.scot)</p> <p>Global Entrepreneurship Monitor: Scotland Report 2021/2022 (strath.ac.uk)</p> <p>Annual Population Survey, 2021</p> <p>DWP, Economic Labour Market Status of Individuals Aged 50 and Over, Trends Over time: September 2021</p>	<p>Although there is data on the labour market and age, there is limited intersectional data on entrepreneurship and younger people (16-24) and older people (55+). We will discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>

²² Refer to Definitions of Protected Characteristics document for information on the characteristics

²³ ‘Scarring’ refers to the idea that people could face reduced pay and reduced employment prospects even after the economy has recovered.

	<p>Wales, standing at 9% in the 2019-21 period, broadly in line with England and Wales. 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><u>Older People (Aged 50+)</u> An ageing population is also translating to an aging workforce. There is evidence the working life is getting longer with increasingly more people working beyond the retirement age.</p> <p>What the evidence tells us:</p> <ul style="list-style-type: none"> • Scotland has an ageing population. Scotland's population is increasing and older people represent a growing share. People are also working into older ages. • Older people are among those who have experienced disproportionate health, social and economic impacts as a result of the COVID-19 pandemic. 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. • Despite the general increase in internet access at home (42% in 2003; 	<p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>Scotland's Labour Market: People, Places and Regions - Statistics from the Annual Population Survey 2020/21 - gov.scot (www.gov.scot)</u></p> <p><u>Supporting documents - Scottish Household Survey 2020 - telephone survey: key findings - gov.scot (www.gov.scot)</u></p> <p><u>A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)</u></p> <p><u>A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)</u></p> <p><u>A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)</u></p> <p><u>Supporting documents - Scottish Household Survey 2020 - telephone survey: key findings - gov.scot (www.gov.scot)</u></p> <p><u>A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)</u></p>	
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	<p>93%²⁴ in 2020), digital participation is generally lower among the older population and average internet use decreases with age.</p> <ul style="list-style-type: none"> • Those aged over 50 face employment barriers in three key areas: communities, access to services and financial security. Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group. 		
DISABILITY	<p>It is estimated that around one fifth of Scotland’s working-age population is disabled. The prevalence of disability increases with age.</p> <p>Available data also indicates that the proportion of disabled sole traders is relatively low in Scotland. In 2014, only 9% of Small and Medium Enterprises (SMEs, between 1 and 249 employees) in Scotland had an owner with a disability or long-standing illness, representing a decrease of 2% since 2012.</p> <p>Employment barriers for people and disabled include health needs, caring responsibilities, unaffordable</p>	<p><u>Disabled people in the labour market in Scotland - gov.scot (www.gov.scot)</u></p> <p><u>A Fairer Scotland for Older People: A Framework for Action (www.gov.scot)</u></p> <p><u>Small Business Survey reports - GOV.UK (www.gov.uk)</u>. 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).</p> <p><u>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)</u></p>	<p>There is limited intersectional data on disabled entrepreneurs in Scotland so we will discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>

²⁴ 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.

	<p>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 .</p> <p>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. Even with a degree or higher qualification, disabled people are still less likely to be employed than non-disabled people without one.</p> <p>Disabled pupils have lower attendance levels at school and are more likely to be excluded. Disabled young people are twice as likely not to be in a positive destination (education, employment or training) six months after leaving school, and three times</p>	<p><u>Disabled people in the labour market in Scotland - gov.scot (www.gov.scot)</u> <u>Fairer Scotland for disabled people - employment action plan: progress report - year 2 - gov.scot (www.gov.scot)</u> <u>Tackling child poverty: third year progress report 2020-2021 - gov.scot (www.gov.scot)</u></p> <p><u>Summary Statistics for Attainment and Initial Leaver Destinations, No. 3: 2021 Edition - gov.scot (www.gov.scot)</u>; <u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>UK Poverty 2020/21 JRF</u></p> <p><u>Locked out of the labour market (leonardcheshire.org)</u></p> <p>Stakeholder feedback</p>	
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	<p>as likely not to be in a positive destination by the age of 19.</p> <p>Analysis by the Joseph Rowntree Foundation (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). The analysis also found that disabled people were also more likely to report they had zero earnings by mid-year.</p> <p>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.</p> <p>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. 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.</p>		
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<p>SEX</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 Annex to the 'Gender Pay Gap Action Plan' and the 'Gender Pay Action Plan' published by the Scottish Government sets out the drivers for gender disparities in the labour market in more detail.</p> <p>Over the course of the pandemic, women's unpaid housework, childcare, and unpaid care increased. Women may also find it more difficult to secure alternative employment and income streams following lay-off.</p> <p>Stakeholders have highlighted the following :</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 child-care and care 	<p><u>Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot)</u></p> <p><u>A fairer Scotland for women: gender pay gap action plan - gov.scot (www.gov.scot)</u></p> <p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>Stakeholder engagement</u></p>	<p>The Ana Stewart Review on women in entrepreneurship is currently underway and will bridge intersectional knowledge gaps on sex and entrepreneurship in Scotland.</p>
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	<p>economy more generally as critical to achieving women's equality;</p> <ul style="list-style-type: none">• Need to understand the links between child poverty and women's poverty;• NSET should build on the Scottish Government commitments on the gender pay gap;• Root causes of women's underrepresentation in technology and STEM sectors should be addressed;• Women's entrepreneurship base should be developed and better supported;• Investment and growth should be targeted in sectors where women's work is concentrated;• 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		
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	<ul style="list-style-type: none"> • 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. 		
PREGNANCY AND MATERNITY	<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 it. Pregnancy brings a period of sudden increased financial pressure and sustained money worries have been reported following birth of a baby, increasing the risk of child poverty.²⁵</p> <p>Households with children aged 0-4 are at high risk of poverty. The risk, however, is much higher when the youngest child is aged less than one year old. Families with a new child are more likely to enter poverty. 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</p>	<p>Project Title (gcph.co.uk)</p> <p>Project Title (gcph.co.uk)</p> <p>Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot)</p> <p>Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot (www.gov.scot)</p> <p>Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with babies under one - gov.scot (www.gov.scot)</p> <p>Microsoft Word - The Motherhood Pay Penalty key findings in new template RS SH SB.docx (tuc.org.uk); Mothers suffer big long-term pay penalty from part-time working - Institute For Fiscal Studies - IFS; wcms_371804.pdf (europa.eu).</p>	<p>There is limited intersectional data on pregnancy and maternity and entrepreneurs in Scotland. We will discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>

²⁵ 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.

	<p>households with a child under one were in relative poverty in 2017-20. This compares to 24% of children overall.</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 men. Mothers suffer a big long-term pay penalty from part-time working, on average earning about 30% less per hour than similarly educated fathers. 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.</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</p>	<p>BN223.pdf (ifs.org.uk)</p> <p>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> <p>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)</p> <p>Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (scotland.gov.uk); Scottish household survey 2018: annual report - gov.scot (www.gov.scot); Scottish household survey 2018: annual report - gov.scot (www.gov.scot).</p> <p>not-now-social-renewal-advisory-board-report (1).pdf (scotland.gov.uk)</p> <p>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> <p>'Interrupted' is defined as doing at least one work and one non-work activity during an hour-long slot.</p> <p>Microsoft Word - BN290-Mothers-and-fathers-balancing-work-and-life-under-lockdown.docx (ifs.org.uk)</p>	
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	<p>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.</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 areas.</p> <p>Single mothers with low qualifications are particularly concentrated in sectors most impacted by the pandemic. Households with only one earner are more vulnerable to the impacts of earnings reductions or job losses and lone parents may be less likely to have someone to share childcare with, making participation in paid work challenging.</p> <p>Compared with fathers, mothers spend less time in paid work and more time on household responsibilities, and the differences in work patterns</p>	<p><u>Women doing more childcare under lockdown but men more likely to feel their jobs are suffering (kcl.ac.uk)</u></p> <p>Stakeholder feedback</p>	
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	<p>between mothers and fathers have grown since before the pandemic.</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 furloughed, and spent on average two hours longer per day caring for children during lockdown compared to fathers.</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 woman being more likely to take unpaid leave to care for children than men, they highlighted that an action on affordable childcare was critical for a gender-equal economic recovery.</p>		
<p>GENDER REASSIGNMENT</p>	<p>Trans people face a range of disadvantages and vulnerabilities in their everyday life and in employment.</p>	<p><u>Stonewall LGBT in Britain - Trans Report (2017)</u> <u>(stonewallscotland.org.uk)</u>; <u>Trans People and Work in Scotland (lgbthealth.org.uk)</u></p>	<p>There is limited intersectional data on transgender and non-binary</p>

	<p>Some trans people find getting into work difficult or challenging, with prejudice and stereotyping having negative impacts on their employment prospects.</p> <p>Although the following relate to the labour market some of these issues will also touch on embarking on entrepreneurial journeys. In particular proof of qualifications matching gender and new name and application forms excluding non-binary identities: Barriers and challenges to the inclusion of trans and intersex employees include lack of knowledge by employers and fellow employees, insufficient line manager confidence, stigma, practical considerations (e.g. toilet facilities, uniforms), lack of support and flexible policies. Barriers to accessing employment include fear of prejudice, application forms excluding non-binary identities, difficulties obtaining references and proof of qualification matching gender and new name, lack of awareness and transphobia from interview panels, and feeling unable to be open about trans identity when applying for jobs.</p> <p>Trans students experience harassment and discrimination at HE institutions and, for some, this has a</p>	<p>Trans People and Work in Scotland (lgbthealth.org.uk)</p> <p>Supporting trans employees in the workplace Acas; Trans People and Work in Scotland (lgbthealth.org.uk)</p> <p>Trans People and Work in Scotland (lgbthealth.org.uk)</p>	<p>entrepreneurs in Scotland. We will discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>
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	significant negative impact on their studies, future plans and skills.		
SEXUAL ORIENTATION	<p>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.</p> <p>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.</p>	<p><u>Sexual orientation in Scotland 2017: summary of evidence base - gov.scot (www.gov.scot)</u></p>	<p>There is limited intersectional data on LGBT+ entrepreneurs in Scotland so we will discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>
RACE	<p>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.</p> <p>Compared with the white population, minority ethnic groups are more likely to work in accommodation and food services, more likely to earn low income and less likely to have savings.</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</p>	<p>Annual Population Survey, ONS</p> <p><u>Scotland's Labour Market: People, Places and Regions – background tables and charts - gov.scot (www.gov.scot)</u></p> <p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)</u></p> <p><u>Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)</u></p>	<p>While business start-up rate is high among ethnic minority groups work is needed to understand potential barriers to success, such as access to finance, access to business supports.</p> <p>There is limited intersectional data on minority ethnic entrepreneurs in Scotland so we will</p>

	<p>to be in relative poverty after housing costs. Minority ethnic families are also most at risk of child poverty (38% of children in minority ethnic families were in relative poverty in 2017-20 compared to 24% of all children in Scotland), and families from some minority ethnic groups are more likely to have three or more children, putting them at higher risk of child poverty .</p> <p>Some minority ethnic households are also more likely to live in the most deprived areas in Scotland compared to white Scottish/British households.</p> <p>Analysis by ethnicity shows a TEA 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>Over a fifth of UK minority ethnic workers who were furloughed during the first lockdown in 2020 were no longer working by September 2020, more than double the overall rate.</p> <p>The employment of minority ethnic people was disproportionately impacted by previous economic</p>	<p><u>Housing needs of minority ethnic groups: Evidence review</u></p> <p><u>Total Early-stage Entrepreneurial Activity Global Entrepreneurship Monitor: Scotland Report 2021/2022 (strath.ac.uk)</u></p> <p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p><u>Coronavirus (COVID-19): impact on equality (research) - gov.scot (www.gov.scot)</u></p> <p>UK level data from Family resources Survey 2017-20. Note: "Working household" refers to someone in the household being in paid work.</p> <p><u>If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)</u></p> <p>Stakeholder feedback</p>	<p>discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>
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	<p>recessions, with profound implications for living standards and overall income and wealth equality.</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.</p>		
<p>RELIGION OR BELIEF</p>	<p>There is no Scotland-specific data available on religion or belief and entrepreneurship in Scotland.</p> <p>However, In 2015-20, relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%).</p>	<p><u>Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)</u></p> <p>Stakeholder feedback</p>	<p>There is limited intersectional data on Religion or Belief and entrepreneurship in Scotland. We will discuss and consider with analysts how this can be improved and carry out consultations as policies develop.</p>

MARRIAGE AND CIVIL PARTNERSHIP²⁶	Not applicable	Not applicable	Not applicable
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²⁶ 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.

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			Programme 1 will have positive impacts on young people (16-24) in particular as policies in this programme aim to support developing young people’s entrepreneurial journeys. Examples of policies positively supporting young people access high-value careers in entrepreneurship include: embedding entrepreneurship in the Young Person’s Guarantee, reviewing the apprenticeship system, creating a pathway to role models and promoting project-based entrepreneurial learning across the school and post-16 education curricula.
Advancing equality of opportunity	X			Project 1 actions on embedding first rate entrepreneurial learning across the school and post-16 curricula includes actions on embedding entrepreneurship in the Young Person’s Guarantee and adapting the apprenticeship system. Actions seek to upskill young people to thrive in our current and future economy. At the same time actions in Programme 1 will drive social mobility and allow people to create fulfilling careers.
Promoting good relations among and between different age groups	X			Two examples of actions in Programme 1 that will have a positive effect on the relations between different age groups are: <ul style="list-style-type: none"> • Actions targeting those at the post-16 level and offering apprenticeships which have the capacity to bring together people from a range of age backgrounds; and • A mentoring programme which will match up people from different backgrounds, experiences and ages.

Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	X			Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact disabled people. To ensure the impact is positive disabled people and groups will be consulted in the development and delivery phases of policies.
Advancing equality of opportunity	X			During the development and delivery of Programme 1 policies, continuous consideration should be given to offering opportunities both online and offline to better suit people with mobility issues. This has been carried out for the roll out of the National Network of Tech Scalers but it should be considered whether this should also be done for other physical incubation/accelerator spaces such as the pre-scaler hubs.
Promoting good relations among and between disabled and non-disabled people			X	While no material impact has been identified to date that would hinder the promotion of good relations between disabled and non-disabled people, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations As policies are developed, evidence which will help measure success in promoting good relations will be gathered.

Neurodiversity²⁷	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination,	X			Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact neurodivergent people. However, the success of

²⁷ We are discussing neurodiversity under a separate heading to include the experiences of different people as we appreciate that not all neurodivergent people consider themselves to be disabled. At the same time, under the Equality Act 2010, neurodivergent conditions meet the legal definition of disability.

harassment and victimisation				this will depend on whether neurodivergent people and groups are explicitly mentioned and consulted in the development and delivery phases of policies.
Advancing equality of opportunity	X			Actions in Programme 1 aim to promote equal opportunities and equality and have scope to address barriers to access and positively impact neurodivergent people. To ensure the impact is positive, we will engage with neurodivergent people and groups as policies develop.
Promoting good relations among and between neurodivergent and neurotypical people			X	While no material impact has been identified to date that would hinder the promotion of good relations between neurodivergent and neurotypical people, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.

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			<p>Within Programme 1 there are various workstreams underway to support more women into entrepreneurial careers and to support the upskilling of women.</p> <p>Therefore Programme 1 of the NSET has a positive impact on the ability of women to choose and advance a career in entrepreneurship.</p> <p>NSET recognises that there is a considerable gender gap in Scotland in entrepreneurship and part of the aims of NSET aims to bridge these structural and entrenched inequalities.</p>

Advancing equality of opportunity	X			Programme 1 has a positive impact on the ability of women to choose and advance a career in entrepreneurship.
Promoting good relations between men and women			X	While no material impact has been identified to date that would hinder the promotion of good relations between women and men, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.

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	x			<p>Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively women or parents caring for children. To ensure the impact is positive, pregnant people or those caring for children are explicitly mentioned and consulted in the development and delivery phases of policies.</p> <p>Research and stakeholder engagement has shown that mothers and households with a single earner, struggle more with cashflow and the resources and time to start an entrepreneurial career.</p> <p>Therefore, during the development and delivery phases of policies in Programme 1 should continue to consult with people in this category.</p>
Advancing equality of opportunity	X			Motherhood has a significant impact on the number of hours that some women can work which then affects their pay and income relative to non-mothers and men.

				<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 areas.</p> <p>Since the start of the pandemic, mothers have been more likely than fathers to have left or lost their job, or to have been furloughed, and spent on average two hours longer per day caring for children during lockdown compared to fathers.</p>
Promoting good relations			X	<p>While no material impact, has been identified to date that would hinder the promotion of good relations between pregnant people, those caring for children and those who are not, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.</p>

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			<p>Actions in Programme 1 aim to promote equal opportunities and equality and have scope to address barriers to access and positively impact transgender people. To ensure the impact is positive, we will engage with transgender people and groups as policies develop.</p>
Advancing equality of opportunity	X			<p>Further consultations should be carried out with stakeholders to understand what type of support will be needed to attract and support transgender entrepreneurs. There is an opportunity in the design of these programmes to be more inclusive of transgender entrepreneurs.</p>

Promoting good relations			X	While no material impact has been identified to date that would hinder the promotion of good relations between transgender and cisgender people, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.
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Do you think that the policy impacts on people because of their sexual orientation?

Sexual orientation	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	X			<p>Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact LGBT+ people. However, there is an opportunity for these policies to more positively support LGBT+ people.</p> <p>It is not clear to what extent LGBT+ people face discrimination when it comes to entrepreneurship but during future development and delivery of policies, further consultations should be carried out with stakeholders to understand what type of support will be needed to attract and support LGBT+ entrepreneurs further.</p>
Advancing equality of opportunity	X			From the research it is not clear to what extent LGBT+ people face discrimination in relation to entrepreneurship but further consultations should be carried out with stakeholders to understand what type of support will be needed to attract and support LGBT+ entrepreneurs further.
Promoting good relations			X	While no material impact has been identified to date that would hinder the promotion of good relations between LGBT+ people and heterosexual people, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.

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			<p>Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact people from minority ethnic backgrounds.</p> <p>However, this will depend on the continuous consultation of minority ethnic groups during the delivery and development phase of Programme 1 policies.</p> <p>Actions across Programme 1 should ensure minority ethnic people are considered continuously, including for setting up mentoring programmes and support programmes for the most underrepresented groups.</p>
Advancing equality of opportunity	X			<p>Actions in Programme 1 aim to advance equality of opportunity and recognise that some groups of people, including minority ethnic people, are able to fully participate by offering additional support to underrepresented groups like financial means.</p>
Promoting good race relations			X	<p>While no material impact has been identified to date that would hinder the promotion of good race relations, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.</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
Eliminating unlawful discrimination	X			<p>Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact people from different religious backgrounds.</p>

				However, limited evidence is available for this group. We therefore recommend to continue to consult during the development of these policies with religious groups.
Advancing equality of opportunity	X			We know that some religions are at more risk of discrimination. In 2015-20, relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%).
Promoting good relations			X	While no material impact has been identified to date that would hinder the promotion of good relations, it is the case that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on relations.

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

Marriage and Civil Partnership²⁸	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	No impact has been identified

²⁸ In respect of this Protected Characteristic, a body subject to the Public Sector Equality Duty (which includes the 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.

Stage 4: Decision making and monitoring

Identifying and establishing any required mitigating action

Have positive or negative impacts been identified for any of the equality groups?	Many policies in Programme 1 are expected to positively impact equality groups, especially those explicitly mentioned such as women, young people and those from under-represented groups. No negative impacts have been identified, however, we will consider with analysts how to bridge knowledge gaps on entrepreneurship and people with Protected Characteristics and consult these groups during the planning and delivery phases. This includes all groups with Protected Characteristics except those pertaining to Marriage and Civil Partnership. Analysis and research pertaining to women will be taken forward by the the Ana Stewart Review.
Is the policy directly or indirectly discriminatory under the Equality Act 2010²⁹?	No
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

At the time of publication of NSET in March 2022, the Scottish Government published the NSET Equality Position Statement which outlined the equality evidence that was considered during the production of the NSET. This research has informed the development of this EQIA.

This EQIA has found that there are numerous challenges facing people with Protected Characteristics in participating in entrepreneurial careers. This is especially the case in the wake of the COVID-19 pandemic and the ongoing cost of living crises. However, by targeting specific groups and interventions, NSET Programme 1 aims to help individuals overcome some of these barriers.

²⁹ See EQIA – Setting the Scene for further information on the legislation.

The EQIA have found that, although there are numerous challenges facing people with Protected Characteristics in participating in entrepreneurial careers, Programme 1 aims to positively impact and support these groups to access entrepreneurial careers.

Actions in NSET that look to specifically address barriers in accessing entrepreneurial careers include:

- Embedding entrepreneurship in the Young Person's Guarantee;
- Adapting and reviewing Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focusing in particular on providing opportunities for women and other under-represented groups and on specific skills, such as digital;
- Proactively promoting business start-up opportunities to those at risk of redundancy through the Partnership Action for Continuing Employment (PACE) programme; and
- Setting targets and focusing 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.

However, these actions do not explicitly target all Protected Characteristics and this EQIA has also identified that intersectional knowledge gaps exist in relation to barriers that all these groups face with regards to entrepreneurship. Additional data would be helpful pertaining to entrepreneurship and the following Protected Characteristics: age (16-24 and 50+), disability, pregnancy and maternity, gender reassignment, sexual orientation, race and religion or belief. We also do not have a full picture of the barriers to entrepreneurship and would benefit from more information about these groups. In relation to data, the only exception is the protected characteristic of sex as the Ana Stewart review on women's entrepreneurship is currently underway to close knowledge gaps related to the experiences of women in entrepreneurship.

We will therefore consider with analysts how to fill knowledge gaps for all Protected Characteristics as Programme 1 progresses. This data gathering exercise will feed into future EQIAs which will be developed for the four projects as policies develop further. Timelines will be shared alongside future delivery plans.

Cost/resourcing implications

The Scottish Government's Resource Spending Review (RSR), published in May 2022, 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 restrictions both limit the Scottish Government's ability to respond to the cost crisis in-year, not least due to

restrictions on borrowing powers, but 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. Resource and budget(s) will be agreed on the basis of these spending challenges and an economic environment which is expected to remain highly uncertain into the medium-term. Consideration of costs attached to delivery will be included in project-level EQIAs.

Monitoring and Review

Specific policy interventions for actions within Programme 1 are yet to be developed. As these policies develop, each of the four projects we will carry out an EQIA to ensure that the specific barriers for each Protected Characteristic are fully considered for these differing projects. Timelines of these EQIAs will be made available alongside NSET Delivery Plans.

This EQIA analysis will be kept under regular review, with new data and evidence analysed as we improve data collection for continuous learning and development to monitor the impact of the Strategy on people with Protected Characteristics.

In terms of monitoring, we will publish an annual progress report from the NSET Delivery Board, which will include equalities monitoring.

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 NSET Programme 1 and give my authorisation for the results of this assessment to be published on the Scottish Government's website.

Name: Stephen O'Neill

Position: Stephen O'Neill, Interim Deputy Director, Technology, Innovation and Enterprise

Authorisation date: 17 October 2022

EQUALITY IMPACT ASSESSMENT – RESULTS

Title of Policy	Scotland's National Strategy for Economic Transformation - Programme 1: Entrepreneurial People and Culture
Summary of aims and desired outcomes of Policy	<p>The aim of Programme 1: Entrepreneurial People and Culture is to 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.</p> <p>The desired outcomes of this policy are:</p> <ul style="list-style-type: none"> - the creation of new companies and scaling of successful companies - an innovative public and private sector that adopts an entrepreneurial mind-set - world-leading infrastructure to support high-growth companies - attraction and retention of international talent and investment
Directorate	Economic Development 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 undertook an Equality Impact Assessment (EQIA) as part of the process to develop the Strategy.

An EQIA aims to consider how a policy may impact upon people with Protected Characteristics. Equality legislation covers the Protected Characteristics of: age, disability, gender reassignment, sex, pregnancy and maternity, marriage and civil partnership, race, religion and belief, and sexual orientation.

This EQIA has been undertaken to consider the impacts on equality on the development of Programme 1 of the NSET. Specifically, it 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 PSED. The needs are to:

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity; and

- Foster good relations.

This EQIA has found that, although there are numerous challenges facing people with Protected Characteristics in participating in entrepreneurial careers, Programme 1 aims to positively impact and support people with Protected Characteristics access entrepreneurial careers.

Challenges in accessing entrepreneurial careers, which are shared by all groups with Protected Characteristics to different degrees include: limited access to investment capital and networks of support, household poverty (making it harder for individuals to invest time in business activities which don't have the prospect of an immediate/regular secure financial return) and barriers to accessing training and education.

To encourage more people to choose entrepreneurship as their career, thereafter enabling them to access better employment opportunities and widen their range of viable career choices, we will offer support to help them overcome existing social and economic barriers to starting a business, thus leveraging entrepreneurship to create attractive and accessible pathways to improved social justice and economic fairness.

This support will be monitored and adjusted as/if required, taking account of changes in the economic environment in order to ensure it continues to benefit those groups identified as being most at risk of poverty and exclusion.

Actions in NSET Programme 1 that aim to help overcome barriers and positively impact people with Protected Characteristics include:

- Embedding entrepreneurship in the Young Person's Guarantee;
- Adapting and reviewing Scotland's apprenticeship system so that it is available for start-ups and early scale-ups to use, focusing in particular on providing opportunities for women and other under-represented groups and on specific skills, such as digital;
- Proactively promoting business start-up opportunities to those at risk of redundancy through the Partnership Action for Continuing Employment (PACE) programme; and
- Setting targets and focusing 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.

The actions on supporting under-represented groups in particular has the potential to support people with Protected Characteristics not mentioned. Therefore specific support for other groups with Protected Characteristics will be considered during the planning and delivery phase of this action.

For all the groups with Protected Characteristics, except marriage and civil partnership which has not been considered (see above), we do not have a full

intersectional picture of what barriers these groups face in relation to entrepreneurship. The only exception is the Ana Stewart review on women's entrepreneurship which is looking to close knowledge gaps related to the experiences of women in entrepreneurship.

We will therefore consider with analysts how to fill knowledge gaps for all Protected Characteristics as actions progress. This data gathering exercise will feed into the project-level EQIAs which will be developed for the four projects as policies develop further. Timelines will be shared alongside future delivery plans.

Background

The NSET forms part of the Scottish Government's wider ambitions to develop a system which prioritises the collective wellbeing of current and future generations. The NSET is a route to a strong economy with good, secure and well-paid jobs and growing businesses, maximising Scotland's strengths and natural assets to increase prosperity, productivity and international competitiveness.

The aim of Programme 1: Entrepreneurial People and Culture is to 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.

Programme 1: Entrepreneurial People and Culture is comprised of four projects:

- Project 1 - Embed first rate entrepreneurial learning across the education and skills systems by promoting the best available project-based entrepreneurial learning across the school and post-16 education curricula;
- Project 2 - Create major, new world-class entrepreneurial infrastructure of institutions and programmes providing a high intensity pathway for high growth companies;
- Project 3 - Attract and retain the very best entrepreneurial talent from at home and abroad; and
- Project 4 - Build an entrepreneurial mind-set in every sector of our economy, expanding the application of entrepreneurial thinking and approaches to public service reform.

Scope

To deliver NSET's transformational Programmes of Action 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), 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, we launched the first phase of EDIP in April 2021.

A written stakeholder consultation 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. It will help identify gaps in equality evidence and improve our equality evidence base.

The development of NSET was informed by a wide evidence base. In 2021, the Scottish Government established a new Advisory Council for Economic Transformation, including industry representatives, trade unions, academics, and economist, to shape the strategy. It also engaged extensively with a wide range of stakeholders across Scotland, including through a semi-formal, 9-week consultation that received over 260 responses. At the time of publication of NSET, the Scottish Government also published the NSET Equality Position Statement which outlined the equality evidence that was considered during the production of the NSET.

During the development of NSET and its Delivery Plans, a number of Ministerial and official-led roundtables and meetings with equality and human rights stakeholders took place. These include:

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

The Stewart Review on gender in enterprise has involved extensive engagement with individual entrepreneurs as well as public, private and third sector organisations from education, investment and business support. This has included discussion with minority ethnic business representatives given the intersectional nature of many of the challenges the Review aims to address.

Another piece of work that feeds into Programme 1 and continues to consult stakeholders widely is The Scottish Tech Ecosystem Review (STER), commissioned by the Cabinet Secretary for Finance and Economy in 2020 and written by Professor Mark Logan³⁰. Industry engagement took place through a variety of means including the STER advisory board made up of Scotland's top entrepreneurs and tech leaders, and continues to take place through the Computing Science in Schools Working Group and Senior Steering Group which act as vehicles for consultation with a wide range of education stakeholders in Scotland.

Policy officials working on STER and Programme 1 also continue to engage and consult with entrepreneurs and organisations representing and supporting people with Protected Characteristics.

³⁰ STER is a blueprint to establish Scotland as a leading hub for tech start-ups.

This EQIA has identified that additional data would be helpful pertaining to entrepreneurship and the following Protected Characteristics: age (16-24 and 50+), disability, pregnancy and maternity, gender reassignment, sexual orientation, race and religion or belief. We also do not have a full picture of the barriers on entrepreneurship and would benefit from more information about these groups. With regards to data, the only exception is for the Protected Characteristic of sex as the Ana Stewart review on women's entrepreneurship is currently underway to close knowledge gaps related to the experiences of women in entrepreneurship.

We will therefore consider with analysts how to fill knowledge gaps for all Protected Characteristics as programmes progress. This data gathering exercise will feed into future EQIAs which will be developed for the four projects as policies develop further. Timelines will be shared alongside future delivery plans.

Key Findings

The effects of COVID-19 and the cost of living crises have, and continue to, impact disproportionately on those who have been already experiencing inequalities. In the context of the current economic position, the Programme 1 recognises the need to provide additional support for those groups and people most at risk of poverty and exclusion.

To ensure more people are able to choose entrepreneurship as a viable career, the Programme 1 of the NSET looks at various ways to overcome current social and economic barriers to starting a business and make entrepreneurship an attractive and accessible road to social mobility and economic fairness.

Programme 1 recognises this by targeting particular priority groups and offering appropriate additional support in a number of its programmes.

Summary of key findings for each of the Protected Characteristics is set out below:

Age

Programme 1 will have significant positive impacts on young people (16-24) in particular as policies in this programme aim to support developing young people's entrepreneurial journeys: embedding entrepreneurship in the Young Person's Guarantee, reviewing the apprenticeship system, creating a pathway to role models and promoting project-based entrepreneurial learning across the school and post-16 education curricula.

Actions under Project 1 on embedding first rate entrepreneurial learning across the school and post-16 curricula seek to advance equality of opportunity by upskilling young people to thrive in our current and future economy.

Two examples of actions in Programme 1 that will have a positive impact on fostering good relations between different age groups are:

- Actions targeting those at the post-16 level and offering apprenticeships which have the capacity to bring together people from a range of age backgrounds; and
- A mentoring programme which will match up people from different backgrounds, experiences and ages.

The TEA rate amongst people who are between 55-64 year-old is the lowest amongst the age groups at 6.6%³¹. People in this group are also at particular risk of exclusion. Despite the general increase in internet access at home (42% in 2003; 93%³² in 2020)³³, digital participation is generally lower among the older population and average internet use decreases with age³⁴. In addition, those aged over 50 face employment barriers in three key areas: communities, access to services and financial security³⁵. Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group³⁶.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support will be needed to attract and support younger entrepreneurs (16-25) and older entrepreneurs (55+). We will also discuss and consider with analysts how data gaps on entrepreneurship and these groups can be improved.

Disability

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact disabled people. To ensure the impact is positive, we will engage with disabled people and groups as policies develop.

During stakeholder consultations, stakeholders 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.

Our national Tech Scaler network, which is government backed and part of the Scottish Government's economic policy plans³⁷, offers a platform for commercial education, enterprise advice and support both online and off-line, ensuring that opportunities are available equally to anyone in Scotland regardless of individual circumstances or background. As Tech Scaler and the Pre-Scalers hubs mentioned

³¹ [Global Entrepreneurship Monitor: Scotland Report 2021/2022 \(strath.ac.uk\)](https://strath.ac.uk/global-entrepreneurship-monitor-scotland-report-2021/2022/)

³² 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.

³³ [Supporting documents - Scottish Household Survey 2020 - telephone survey: key findings - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents-scottish-household-survey-2020-telephone-survey-key-findings)

³⁴ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](https://www.gov.scot/a-fairer-scotland-for-older-people-a-framework-for-action)

³⁵ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](https://www.gov.scot/a-fairer-scotland-for-older-people-a-framework-for-action)

³⁶ [A Fairer Scotland for Older People: A Framework for Action \(www.gov.scot\)](https://www.gov.scot/a-fairer-scotland-for-older-people-a-framework-for-action)

³⁷ World-class incubation and developmental environments for high-growth internet economy start-ups. Tech-scalers will provide a mix of commercial education, physical co-location, peer learning, networking and the capacity for full virtual access to high-growth businesses all over Scotland. The creation of the Tech Scalers network delivers a commitment of the Programme for Government 2021-22 and a key recommendation from the 2020 Scottish Tech Ecosystem Review. See more: [Scottish technology ecosystem: review - gov.scot \(www.gov.scot\)](https://www.gov.scot/technology-ecosystem-review)

in NSET are connected in aim, a similar approach will also be considered during the development and delivery of the Pre-Scaler hubs and any other physical infrastructure.

While no material impact has been identified to date that would hinder the promotion of good relations between disabled and non-disabled people, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on this need.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support will be needed to attract and support disabled people and entrepreneurs. We will also discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Neurodiversity

Actions in Programme 1 aim to promote equal opportunities and equality and have a scope to address barriers to access and positively impact neurodivergent people. To ensure the impact is positive, we will engage with neurodivergent people and groups as policies are further developed.

Research by Skills Development Scotland (SDS) on Neurodiversity and Tech in Scotland (2020) found that 1 in 10 people in Scotland are neurodivergent and that there is also research indicating that people with ADHD and dyslexia in particular can display a specific strength for entrepreneurialism. The same research also points towards neurodivergent people showing particular strengths in creativity and innovation³⁸.

While no material impact has been identified to date that would hinder the promotion of good relations between neurodivergent and neurotypical people, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support will be needed to attract and support neurodivergent people into entrepreneurial careers. We will also continue to draw on the expertise gathered by organisations like SDS and discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Sex

The Global Entrepreneurship Monitor (2022) found that among TEA entrepreneurs, there remains a significant difference between males and females in terms of the

³⁸ [neurodiversity-in-digital-technology-summary-report.pdf \(skillsdevelopmentscotland.co.uk\)](#)

extent to which “to earn a living because jobs are scarce” motivated the entrepreneurial activity³⁹.

Within Programme 1 there are various work streams underway to advance equality of opportunity and support more women into entrepreneurial careers and to support the upskilling of women. Therefore Programme 1 of the NSET is expected to have a positive impact on the ability for women to choose and advance a career in entrepreneurship.

The NSET recognises that there is a considerable gender gap in Scotland when it comes to entrepreneurship and part of the aims of the NSET are about bridging these structural and entrenched inequalities.

The Ana Stewart review of women’s entrepreneurship in Scotland in particular will provide strong support, data and recommendations to ensure more women and girls are supported in continuing and able to start their entrepreneurship journeys. The review will inform the design and delivery of policies in this area.

While no material impact has been identified to date that would hinder the promotion of good relations between women and men, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

Pregnancy and maternity

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact those who are pregnant and those caring for children (most of whom identify as women).

During NSET consultations 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 action on affordable childcare was critical for a gender-equal economic recovery.

Research and stakeholder engagement has shown that pregnant people and parents (women in particular) and households with a single earner, struggle more with cashflow and the resources and time to start an entrepreneurial career.

In addition, job safety will be important for many people, including those in the most precarious situations. Therefore, to advance equality of opportunity, the NSET Programme 1 commits to providing access to support programmes to those from the most under-represented groups, particularly women, those on low incomes and those without qualifications at further or higher education. This would be delivered

³⁹ [GEM Global Entrepreneurship Monitor \(gemconsortium.org\)](http://gemconsortium.org)

through 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 to start a business.

While no material impact has been identified to date that would hinder the promotion of good relations between pregnant people, those caring for children and those who are not, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support pregnant entrepreneurs and entrepreneurs caring for children (most of whom are women). We will also discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Gender reassignment

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to address barriers to access and positively impact transgender people and entrepreneurs.

Although data on transgender people is scarce, data has been collected that suggest towards trans students experiencing harassment and discrimination at HE institutions and, for some, this has a significant negative impact on their studies, future plans and skills⁴⁰.

While no material impact has been identified to date that would hinder the promotion of good relations between transgender and cisgender people, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract transgender entrepreneurs. We will also discuss and consider with analysts how data gaps on entrepreneurship and this group can be improved.

Sexual Orientation

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact LGBT+ people and entrepreneurs. To ensure the impact is positive, we will engage with LGBT+ people and groups as policies develop.

Whilst attitudes towards lesbian, gay and bisexual people have become more positive over the past decade in Scotland, they continue to face a range of inequalities and disadvantage across a number of areas and settings including employment, healthcare and education.

⁴⁰ [Trans People and Work in Scotland \(lgbthealth.org.uk\)](https://lgbthealth.org.uk)

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 degree⁴¹.

While no material impact, has been identified to date, that would hinder the promotion of good relations between LGBT+ people and heterosexual people, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support LGBT+ people.

Race

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact entrepreneurs and people from minority ethnic backgrounds. To ensure the impact is positive, we will engage with minority ethnic entrepreneurs and people as policies develop

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 costs⁴².

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 poverty⁴³.

Some minority ethnic households are also more likely to live in the most deprived areas in Scotland compared to white Scottish/British households⁴⁴.

Analysis by ethnicity shows a TEA⁴⁵ 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.

Consultation found that 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.

⁴¹ [Sexual orientation in Scotland 2017: summary of evidence base - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/sexual-orientation-in-scotland-2017/summary-of-evidence-base/pages/10.aspx)

⁴² [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/dataset/poverty-and-income-inequality-in-scotland-2017-20)

⁴³ [Poverty and Income Inequality in Scotland 2017-20 \(data.gov.scot\)](https://data.gov.scot/dataset/poverty-and-income-inequality-in-scotland-2017-20)

⁴⁴ [Housing needs of minority ethnic groups: Evidence review](https://www.gov.scot/publications/housing-needs-of-minority-ethnic-groups/evidence-review/pages/1.aspx)

⁴⁵ 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/)

While no material impact has been identified to date that would hinder the promotion of good race relations it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

During future development and delivery of policies, further consultations will be carried out with stakeholders to understand what type of support is needed to attract and support minority ethnic entrepreneurs.

Religion or belief

Actions in Programme 1 aim to promote equal opportunities and equality and have scope to positively impact people of different religions and beliefs.

We know that some religions are at more risk of discrimination. In 2015-17, relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%).

While no material impact has been identified to date that would hinder the promotion of good relations for this Protected Characteristic, it is anticipated that successful delivery in line with our commitments to leverage assets to address barriers to opportunity and access should have a positive impact on promoting relations between these groups.

There is relatively limited data on religion and entrepreneurship for Scotland. Therefore, during future development and delivery of policies, further consultations should be carried out with stakeholders to understand what type of support will be needed to attract and support people of different religions or beliefs.

Marriage and Civil Partnership

This has been considered but is not seen as applicable as 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.

Conclusion

The EQIA did not identify any negative impacts on people with Protected Characteristics from implementation of this policy.

There are numerous areas within Programme 1 that will have a positive impact on people with Protected Characteristics or groups. These include: projects targeting support for young people and programmes targeting support to the most under-represented groups such as women and those on low incomes and without qualifications at further or higher education.

Specific policy interventions for actions within Programme 1 are yet to be developed. As these policies develop they will require their own EQIA to ensure that the specific barriers for each Protected Characteristic are fully considered.

This EQIA analysis will be kept under regular review, with new data and evidence analysed as we improve data collection for continuous learning and development to monitor the impact of the Strategy on people with Protected Characteristics.

This EQIA has also found that intersectional data gaps exist for entrepreneurship and all the Protected Characteristics. The only exception is the Ana Stewart review on women's entrepreneurship which is looking to close knowledge gaps related to the experiences of women in entrepreneurship.

We will therefore consider with analysts how to fill knowledge gaps for all Protected Characteristics as actions progress. This data gathering exercise will feed into the project-level EQIAs which will be developed for the four projects as policies develop further. Timelines will be shared alongside future delivery plans.



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