

# **Green Industrial Strategy**

## **Fairer Scotland Duty Assessment Summary**

**September 2024**

## **Green Industrial Strategy - Fairer Scotland Duty Assessment Summary**

### **1. Summary of aims and expected outcomes of strategy, proposal, programme or policy**

The GIS has a clear mission: to help Scotland realise economic growth opportunities from the global transition to net zero.

In pursuit of this, it has three main objectives:

- Identify and prioritise the most significant economic opportunities for Scotland to develop internationally competitive clusters in global growth sectors related to the transition to net zero.
- Define the role of Scottish Government (SG) and its partners in realising those opportunities, and the actions it will take in pursuit of them;
- Deliver the clarity and confidence needed to attract private investment into those opportunities in Scotland.

The first-order effect of the strategy should be to support businesses working (or with the potential to work in) one of the five opportunity areas identified. These businesses could be anywhere in Scotland and be operating in a wide range of economic sectors.

Over time, the strategy should align public policy levers and public support around these opportunity areas. For example, we would expect to see the business support activities of Scotland's enterprise agencies related to the net zero economy begin to focus on the five opportunity areas. Similarly, we would expect funding and lending sources, such as the Scottish National Investment Bank, to begin to coalesce around the five opportunity areas. We would also expect Scottish Government policy levers and programmes, such as our commitment to an investment pipeline, to focus on the opportunity areas.

Therefore, the expected outcomes include:

- Enhanced clarity as regards the economic opportunities to do with net zero which the Scottish Government and partners are prioritising
- Alignment of public policy levers and resources in support of those opportunities
- Commensurate increase in levels of private investment in those opportunities.

### **2. Summary of evidence**

Businesses and individuals which may benefit from the opportunities identified and prioritised by the GIS could come from across Scotland and from a variety of backgrounds.

We have therefore looked at the best available information and proxy evidence to form a view of where inequalities of outcome may exist in this policy area. In particular, we have considered the inequalities of outcome which exist in the green

economy today; to the extent that the strategy succeeds in growing the green economy in Scotland, it could perpetuate or mitigate these outcomes.

We are aware of evidence regarding inequalities in Scotland's economy, such as:

- The benefits of economic growth are not felt equally among individuals and communities.<sup>[1]</sup>
- Women and ethnic minorities tend to be under represented in most sectors expected to grow under the net zero transition.<sup>[2]</sup>
- Workplace cultures and practices in many parts of the economy, including green industries, impact differently on different groups of people. For example, access to flexible working opportunities or part-time arrangements are particularly important for disabled people and people with caring responsibilities, who are predominantly women.<sup>[3],[4]</sup>
- In addition, research undertaken by Flexibility Works indicates that the difference flexible working makes on whether or not people can work, or work more hours, is more prominent among workers in low earning households
- There is unequal access to skills opportunities for some protected characteristic groups.<sup>[5]</sup>
- There is unequal access to investment and entrepreneurial activity particularly for women and racialised minorities.<sup>[6]</sup>

### **Workforce representation**

- Women account for only 22% of those employed in energy, transport, construction, agriculture and manufacturing.<sup>[7]</sup>
- Disabled and racialised minority women are particularly under-represented in these sectors.<sup>[8]</sup>
- Evidence published by the Scottish Government<sup>[9]</sup> suggests that average wages in Low Carbon Transition sectors are higher than the Scottish average for both men and women. The gender pay gap is 26.6%, which is higher than the overall Scottish gender pay gap (15.6%), but averages wages for women in this area are higher than the Scottish average wage for women.

### **Barriers to participation**

Evidence suggests that there are challenges with recruitment and retention of equality groups in several sectors, for example:

- In the construction sector, for many traditional trade roles and roles predominantly site-based there is often limited access to part-time and flexible working arrangements, which can be a significant barrier to entry.<sup>[10]</sup>
- Only 12% of jobs in manufacturing and 11% in construction were advertised with flexible working options in 2024, compared to 28% of roles advertised across the Scottish labour market as a whole.
- Energy & Utility Skills estimate that more than 75% of women in the UK who leave engineering after maternity leave or career breaks want to return to the engineering profession but are put off due to inflexible working hours and practices.<sup>[11]</sup>

- The recruitment and retention of women in STEM roles is hindered by male dominated workplace cultures, such as essential equipment that is unsuitable for the body size and shape of women and lack of female toilets, as well as limited action to address inequalities.<sup>[12]</sup>

### **3. Summary of assessment findings**

The key strategic decision taken in the GIS is the identification of the five opportunity areas, and the aim to align public policy levers and resources in support of those opportunities.

The evidence section, above, sets out the inequality of outcomes which currently exist in sectors of the economy which may be related to these opportunity areas. To the extent that the GIS contributes to the growth of those sectors it could, without additional action, perpetuate those inequalities.

However, the counterfactual – in which the Scottish Government did not identify opportunity areas and seek to develop internationally competitive clusters in global growth sectors related to the transition to net zero – could see those who currently work in these sectors or may move into them in future disadvantaged. For example, the Oil and Gas industry represents a major source of employment in Scotland; if we fail to secure a just transition for this sector by growing a competitive green economy, we risk negative outcomes for those working in and around the Oil and Gas economy. It is not the case that the Scottish Government could select alternative opportunity areas in the net zero economy to improve equality of outcomes; the opportunity areas selected are those in which Scotland has the potential to succeed in highly competitive global markets.

Our assessment, therefore, is that no changes should be made to the fundamental strategic decisions which the GIS takes. However, there is room in the implementation and delivery of the strategy to improve equality of outcomes as far as possible; we anticipate that further impact assessments will be completed for specific projects as required, and have given consideration to ways in which equality of outcomes might be improved by those projects. These examples acknowledge the connection between equality groups and the six priority family types identified as being at higher risk of child poverty, which include minority ethnic families, households where someone is disabled, and lone-parent families (predominantly women). The further development and consideration of these options will sit with the specific individual projects and actions in the strategy, and these projects and actions sit within the wider context of NSET, ESJTP, JTPs and other Scottish Government work to reduce inequality of outcomes.

### **4. Sign off**

Director Economic Development, Scottish Government

## 5. External Links

<sup>[1]</sup> [Scotland's National Strategy for Economic Transformation: equality position statement - gov.scot \(www.gov.scot\)](#)

<sup>[2]</sup> [Close-the-Gap-briefing-for-Scottish-Government-Debate---Investing-in-Scotlands-Green-Economy.pdf \(closethegap.org.uk\)](#) The briefing defines these sectors as including energy, transport, construction, agriculture and manufacturing.

<sup>[3]</sup> [Close-the-Gap-briefing-for-Scottish-Government-Debate---Investing-in-Scotlands-Green-Economy.pdf \(closethegap.org.uk\)](#)

<sup>[4]</sup> [Scotland's National Strategy for Economic Transformation: Equality Impact Assessment \(Record and Results\) \(www.gov.scot\)](#)

<sup>[5]</sup> [Scotland's National Strategy for Economic Transformation Programme 4: Skilled Workforce Equality Impact Assessment \(Record and Results\) - gov.scot \(www.gov.scot\)](#)

<sup>[6]</sup> [Supporting documents - Pathways: A new approach for women in entrepreneurship - gov.scot \(www.gov.scot\)](#)

<sup>[7]</sup> [Close-the-Gap-briefing-for-Scottish-Government-Debate---Investing-in-Scotlands-Green-Economy.pdf \(closethegap.org.uk\)](#)

<sup>[8]</sup> [Close-the-Gap-briefing-for-Scottish-Government-Debate---Investing-in-Scotlands-Green-Economy.pdf \(closethegap.org.uk\)](#)

<sup>[9]</sup> [Scotland's National Strategy for Economic Transformation \(NSET\) – Programme 2: New Market Opportunities Equality Impact Assessment \(Record and Results\) - gov.scot \(www.gov.scot\)](#)

<sup>[10]</sup> [New perspectives on recruitment to the construction industry - CITB](#)

<sup>[11]</sup> [Green Jobs Taskforce report \(publishing.service.gov.uk\)](#)

<sup>[12]</sup> [Women-in-STEM-report-2.pdf \(equatescotland.org.uk\)](#)



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