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Joe FitzPatrick, MSP
Convener, Equalities, Human Rights and Civil
Justice Committee

09 December 2022

Dear Convener

PUBLICATION OF THE *FAIR WORK ACTION PLAN: BECOMING A LEADING FAIR WORK NATION BY 2025* AND NEW *ANTI-RACIST EMPLOYMENT STRATEGY – A FAIRER SCOTLAND FOR ALL*.

I am writing to inform you of the publication of [A Fair Work Action Plan: Becoming a leading Fair Work Nation by 2025](#) and [A Fairer Scotland for All: An Anti-Racist Employment Strategy](#).

Scotland's National Strategy for Economic Transformation (NSET) outlines the actions needed to maximise the opportunities to achieve the vision of a well-being economy, recognising that "*every citizen holds Scotland's economic potential in their hands.*" It clearly acknowledges the challenges, recognising that structural barriers persist in and beyond our labour market and not everyone benefits from the same opportunities. Sadly, systemic racism, disablism, sexism and ageism are still a real experience for many people.

NSET seeks to reorient our economy towards wellbeing and Fair Work, delivering higher rates of employment and wage growth, reducing structural poverty, particularly child poverty, and improving health, cultural and social outcomes for disadvantaged families and communities.

Fair Work is a model for innovation and success, with many employers in Scotland already implementing fair work practices, providing safe and secure working environments, and promoting inclusive workplace cultures where staff are engaged and have their voices heard. These benefits are also felt throughout the economy more widely, as economies that have stronger productivity growth also have higher wellbeing. It has long been advocated that tackling inequality supports economic growth, and good businesses recognise that well-paid and respected workers are more productive.

This refresh of the *Fair Work Action Plan* brings together our original Fair Work, Gender Pay Gap, and Disabled People's Employment action plans, along with the actions from our new anti-racist employment strategy. It takes forward the next phase of actions to drive forward Fair Work and will make it easier for employers and partners to access information on the critical role Fair Work has to play in achieving positive economic benefits on an individual and collective level.

Achieving our Fair Work vision relies on leadership and support from right across our economy, particularly from the public sector which, as a significant employer and administrator of funding, has a key role to play in demonstrating the standards that will make a positive difference to people and the economy. To that end, as I jointly announced on 6 December with the Minister for Green Skills, Circular Economy, and Biodiversity, we are further strengthening our approach to conditionality (Fair Work First). From 1 July 2023, recipients of public sector grants will be required to pay at least the real Living Wage and provide appropriate channels for effective voice. We recognise that there may be particular exceptional circumstances preventing a grant applicant from meeting this new conditionality and Ministers may agree limited exceptions for organisations in the sectors within their portfolio, where these can be robustly justified. Fair Work First remains key to ensuring public sector funding leverages wider benefits, helping to tackle child poverty, supporting the development of a sustainable economic recovery and a successful wellbeing economy over the long term.

Fair Work must be at the core of the approach any employer takes, not only to address inequalities, but also to maximise the opportunities presented by a fairly rewarded, healthy, diverse, and inclusive workforce. Central to this is providing effective voice - we will work with industry leadership groups, employee representatives, trade unions and other partners to expand the voice of Scotland's workers, encouraging employers to offer appropriate effective voice channels; support strong trade unions and promote collective bargaining - particularly in underrepresented sectors. We will consider how we can further strengthen our conditionality approach, using all levers available to us, including licensing and consents; and how we can extend further conditionality to the other dimensions of Fair Work.

A Fairer Scotland for All: An Anti-Racist Employment Strategy, whilst building on existing good practice that exists in workplaces across Scotland, seeks to respond to the scale and complexity of the challenge of institutional racism, and will put anti-racism at the heart of what we do. We continue to take forward work that takes account of the findings of the forerunner to this Committee's inquiry and subsequent report that was published in 2021- *Race Equality, Employment and Skills: Making Progress?* This work is embedded in actions to support the implementation of the strategy. We will take action that is evidence driven and outcomes-focused, with clear, measurable targets and timeframes.

An anti-racist framing recognises racism as a structural issue, as well as the necessity of explicit activity to address structural and institutional inequality. Every policy or decision made needs to have an anti-racist commitment. This framing puts the responsibility on structures and institutions to do the work to address racism, rather than on those who experience the harm and discrimination to "develop" to achieve equality.

Racism does not sit in isolation. Employers need to consider the multiple barriers that affect experiences of work. Failure to address barriers will mean that inequalities will continue to exist. Therefore, fighting racism, sexism, disablism, ageism, and other inequalities simultaneously is our key aim and we recognise the importance of taking an intersectional approach within our strategy and in the wider refreshed Fair Work Action Plan.

All employers can take something from this strategy, whether that is understanding how racism impacts the systems and practices in which we work, understanding inequality as a result of compounding barriers through intersecting identities, or the practical and anti-racist approach in analysing, reporting and using data to take meaningful and impactful action. We want Scotland to be a place where every person has the same opportunities to enter, sustain and progress in a safe, diverse, and inclusive labour market. Achieving that vision will be a journey which demands a continuing culture and values shift in our approach to work and workplaces.

The UK's decision to leave the EU, the pandemic, and the ongoing cost of living crisis are placing huge burdens on business and individuals, especially for women, and those living with multiple inequalities, including racialised minority women and disabled women. We must also recognise that the cost of doing business has increased dramatically, with consequential costs passing to consumers and customers. This can exacerbate existing structural inequalities in the labour market and hinder our progress to become a leading Fair Work Nation.

In the absence of powers over employment law, the Scottish Government will do all it can within devolved powers to promote and embed fair and inclusive working practices. Through the Public Sector Equality Duty review, we will shape how the reporting requirements under this can be used to drive change. A new multi-treaty Human Rights Bill will be introduced in this parliamentary session and will incorporate the following four United Nations Human Rights treaties into Scots Law, as far as possible within devolved competence:

- The International Covenant on Economic, Social and Cultural Rights
- The Convention on the Elimination of All Forms of Racial Discrimination (CERD)
- The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- The Convention on the Rights of Persons with Disabilities (CRPD)

Incorporating these will strengthen legal protections by making these human rights enforceable domestically.

Our approach is built on collaboration, engagement and using our wider powers and strategic influence to put Fair Work at the heart of our economic and social programme driving a just transition to a net-zero wellbeing economy.

Lastly, I am pleased to advise you that the refresh of the Fair Work Action Plan provides, within the body of the report and specifically at Annex C, an overview of actions from the previous action plans: *A Fairer Scotland for Disabled People: Employment Action Plan*; *Fair Work Action Plan*; and *the Fairer Scotland for Women Gender Pay Gap Action Plan*. This overview, alongside the main body of the refreshed Fair Work Action Plan, provides the annual update to the committee on progress of the previous action plans, including the status of actions within them.

Yours sincerely,

A handwritten signature in black ink that reads "Richard Lochhead". The signature is written in a cursive style with a large initial 'R'.

RICHARD LOCHHEAD