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Dear Claire,

Becoming a Leading Fair Work Nation by 2025

The Fair Work Convention is an independent body which brings together employers, trade unions and academic expertise. The Convention's role is to provide impartial advice and recommendations on fair work to Scottish Ministers and advocate and promote fair work.

The Fair Work Convention set out a vision that, "*by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society*". The Scottish Government shares this vision and has restated it in on a number of occasions including in the Programme for Government 2023/24.

In early 2023, the Fair Work Convention commissioned Alma Economics - an independent research institute research – to undertake research into Scotland's progress in becoming a leading Fair Work Nation and identify areas where improvement is required. We are formally writing to you on the day of publication to provide a link the research '[Measuring Scotland's Performance as a Leading Fair Work Nation](#)' and the [Fair Work Convention's official response](#) which contains official advice from the Fair Work Convention to Scottish Ministers on the steps required to become a leading Fair Work Nation in light of this research.

Alma Research: Measuring Scotland's Performance as a Leading Fair Work Nation

The research provided 3 key outputs:

1. Updated indicators in the Fair Work Measurement Framework
2. A new International Fair Work Nation Framework which allows us to understand the degree to which Scotland is a leading Fair Work Nation.
3. Useful lessons in areas where Scotland is lagging behind countries that are showcasing leading performance in fair work.

As part of the research, the indicators in the **Fair Work Measurement Framework**, first published in 2020 by the Convention, were updated using the most recent data available for Scotland. A series of tables and graphs are presented in the research report with a short commentary outlining Scotland's progress over time for each of these indicators.

The refresh of the Fair Work Measurement Framework shows that there has been improvements in some areas of fair work in Scotland, but progress has not been uniform. Out of the 45 indicators considered, 19 have improved, 10 have worsened, and 14 have fluctuated or remained broadly stable.

The **International Fair Work Nation Framework** builds on the Fair Work Measurement Framework 2020, helping us understand comparative performance across a range of indicators, identifies areas where improvement is required and offers us learning and insight from comparable nations on how improved practice can be achieved. The International Framework was developed by selecting a list of suitable comparator countries which offer a stretching yet realistic benchmark for Scotland, incorporating a range of countries that are a similar size and with a similar GDP and where comparable data is available. Indicators for the new International Framework were drawn from the Fair Work Measurement Framework and reflect issues of data availability and comparability at an international level.

As such, the International Fair Work Nation Framework includes 14 indicators and compares Scotland's performance to that of Denmark, Belgium, Austria, Finland, Iceland, Ireland, the Netherlands, and England. These countries were purposively selected to ensure insight and lessons for Scotland. The research report includes a series of data tables and graphs, including a 'heatmap', which shows the relative performance of each nation across the selected range of fair work indicators.

The research shows that, at present, no country is leading on all indicators and improving performance across all data points will support Scotland's overall performance in relation to fair work. The research suggests that there are areas of relative positive performance in the Scottish economy, but that Scotland's performance could also improve on a number of measures to become a leading Fair Work Nation.

Based on the data outlined in the report, and in conjunction with a rapid literature review, the researchers set out a group of policies which appeared to be driving strong performance on one or more indicators in particular nations, from where Scotland could consider learning. These are outlined in detail in the research report and drawn on in the Convention's response document.

These policies areas include:

- Active Labour Market Policies, including training, job search support, job creation schemes, and other specialised support programmes.
- Family Support policies, including parental leave and childcare support.
- Health, safety and well-being at work policy and best practices.
- Firm-level gender equality enforcement in the workplace policies.
- Trade Union and Collective Agreements, building on the Scottish Government's already stated intentions within fair work.

Fair Work Convention's Response to Research and Advice to Scottish Ministers

The Fair Work Convention have reviewed the research and have published our full response which contains official advice to Scottish Ministers. The response sets out a number of interesting findings from both the Fair Work Measurement Framework and International Fair Work Nation Framework and notes that the nature of fair work is complex and cannot be measured by a single indicator. Becoming a leading Fair Work Nation, therefore, means improving performance across a range of indicators relative to a set of comparator countries.

Considering the research in full, the Fair Work Convention's **overarching recommendation** is that: ***Scotland should strive to have leading performance across all indicators in the International Fair Work Nation Framework by 2025.***

To achieve this recommendation the Convention has set out seven key actions for the Scottish Government to take. The first action relates to developing a better understanding of Scotland's current performance. It recognises that at times there are large gaps between Scotland's performance and that of the leading Fair Work Nation which may be difficult to close by 2025. Actions 2 and 3 consider how best we can draw on international learnings while Actions 4 to 7 reflect on current economic and labour market policy and fair work outcomes.

Action 1: The Scottish Government should work with the Fair Work Convention to consider each indicator in the International Fair Work Nation Framework in turn, identifying clear targets for 2025. On indicators where there are significant gaps between Scotland's performance and that of the leading Fair Work Nation for that indicator, an achievable target for 2025 should be set. However, a longer term target to become a leading nation should also be developed, which includes a clear timeframe for when this will be achieved.

Action 2: The Scottish Government should consider its relative investment in Active Labour Market Policies in comparison with the leading Fair Work Nations and should ensure effective fair work objectives and measures are included in all Active Labour Market Policies.

Action 3: The Scottish Government should focus on drawing lessons from countries that are doing well on fair work indicators and Active Labour Market Policies. Particular focus should be given to:

- Denmark on the disability employment gap.
- Finland, Belgium and Ireland on skills utilisation.

Action 4: The Scottish Government should undertake an evaluation of the effectiveness of Fair Work First in promoting fair work outcomes across the economy.

Action 5: The Scottish Government should seek to strengthen fair work conditionality and the effectiveness of fair work interventions on:

- reducing insecurity (including, but not limited to, reducing the prevalence of Zero Hours Contracts);

- tackling the gender pay gap and supporting diversity and inclusion;
- increasing the use of flexible working arrangements; and
- addressing in-work poverty.

Action 6: The Scottish Government should undertake an evaluation of how current childcare policy supports labour market outcomes for women. This evaluation should then inform work with the Fair Work Convention to strengthen early learning and childcare policy to better support women's participation in the labour market.

Action 7: The Scottish Government should seek to effectively implement accepted Fair Work Convention recommendations and Fair Work Action Plan commitments on collective bargaining including in social care, construction and early learning and childcare.

The Fair Work Convention recognises the scale of the task ahead. Becoming a Fair Work Nation is both challenging and aspirational and it will take sustained effort to change the experience of work for the better. The Convention recognises the work of the Economy and Fair Work Committee and are keen for members to read and digest this research and use it to inform future thinking.

If the you or the Committee would like any further information about the research or the Convention's advice to Scottish Ministers please don't hesitate to get in touch.

Yours sincerely,



Patricia Findlay



Mary Alexander

Co-Chairs, Fair Work Convention