**[Becoming a Fair Work Nation](https://consult.gov.scot/fair-work-employability-and-skills/fair-work-nation/)**

Scottish Government

December 2021

**This consultation seeks views on the action needed to achieve the Scottish Government’s 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.**

**Fair work in the current economic context**

1. **What do you believe are the barriers to delivering Fair Work given the current economic challenges in Scotland?**

Against the economic backdrop of recovery from the COVID-19 pandemic, addressing the climate crisis, and responding to the impact of Brexit, focus on Fair Work is more important than ever. There are a number of challenges to delivering Fair Work which the Scottish Government will need to confront – including Scotland’s changing demographics and the prevalence of ageism and age discrimination in the workplace. Several groups of workers require further attention and support to enjoy Fair Work, such as older women, unpaid carers and disabled people. While the themes highlighted below are barriers, they also present opportunities for action and improvement.

**Demographics and Ageing Workforce**

As Scotland’s population ages at a rapid rate, so does its workforce. One third of the Scottish workforce are now over 50 and there are twice as many over 65s in employment in Scotland today compared to 10 years ago. Research published by Aviva in 2018 reported that 63% of over 50s were planning to retire later than they thought they would in 2008.[[1]](#footnote-2) This number is set to rise as changes to State Pension age make working into your late sixties and beyond more common.

Evidence shows that older workers who lose their jobs are less likely to find a new one, or one at a similar level, than those who are younger than them.[[2]](#footnote-3) In April 2020-March 2021, there were 9,600 unemployed people over 50 who had been unemployed for 12 months or more.[[3]](#footnote-4) For all age groups, men are more likely to be long-term unemployed – accounting for three in five of all long-term unemployed people. Unemployment in later life has an immediate impact on National Insurance contributions and pension savings, and people nearing retirement age who find themselves in this position may have to start using any savings they have earlier than planned. This may mean they end up living for longer with a lower income, ultimately contributing to levels of pensioner poverty. It also has an impact on self-esteem and clear implications for both mental and physical health.

**Age Discrimination and Ageism**

Age discrimination in society is often invisible, but it is something which can impact all of us and act as a barrier to Fair Work. Research suggests that more than one third of over 45s think ageism is a problem in their workplace and one in five workers over 50 believe people see them as less capable as they get older. Age discrimination in a work context can manifest in structural imbalances in recruitment practices. 12% of respondents to Age Scotland’s Big Survey reported that they had been discriminated against at work because of their age and 6% had seen older colleagues discriminated against.[[4]](#footnote-5) Older workers may also be worried that their skills and experiences could be undervalued, or they may be concerned about being discriminated against if they leave their current employer to look for new work.

**Impact of COVID-19**

In common with younger people, older workers have been greatly impacted by the pandemic. Many older workers may have been shielding or providing support to someone who was, so may have been more concerned about returning to their workplace – especially if they were unable to work from home due to their sector or industry. At the onset of the pandemic, many older workers may not have had the technological skills or confidence to work remotely so may have been disadvantaged.

Research by the Institute for Fiscal Studies and the Centre for Ageing Better has found that workers over 65 were 40% more likely to be furloughed in late April 2021 than those in their 40s.[[5]](#footnote-6) Take-up rates for the furlough scheme when it closed in September were highest among older age groups.[[6]](#footnote-7) There are concerns that some older workers may have disappeared from the labour market entirely due to the pandemic – including some who may have felt they had no option but to retire earlier than planned, with insufficient pension savings.

Fair Work will be essential to ensure that all groups of society, including older people, are involved in Scotland’s economic recovery from COVID-19.

**Older Women Workers**

Older women workers, including those who are disabled or from ethnic minorities, face barriers to accessing Fair Work and greater labour market inequalities. Women earn less than men over their careers for a range of reasons, including caring responsibilities, experiencing interrupted careers, being in lower paid roles, under-utilisation of their skills, lack of access to senior roles, and discrimination. Older women workers are no different and they can suffer the double discrimination of sexist and ageist attitudes interacting.

The gender pay gap leads directly to a wider gender pension gap (estimated to be 37.9% for 2019-20[[7]](#footnote-8)) resulting in many older women experiencing poverty during their later years. Disabled women, women from ethnic minorities, single mothers, divorced women, and women with caring responsibilities are particularly impacted by pension inequalities. The auto-enrolment scheme introduced by the UK Government is a positive development, but the requirement to earn £10,000 per annum excludes many women as they are more likely to be in lower paid and part time work. It is unsurprising therefore that women are currently twice as dependent on social security as men and of those claiming Pension Credit, 64% are women.

Greater support in the workplace for women experiencing menopause or premature menopause are also required and it is welcome to see recent focus on this issue in the Women’s Health Plan.

The lack of data and research about older women in the workplace (and particularly about older disabled women and older women from ethnic minorities) is a challenge. Where data does exist, small sample sizes might mean it is difficult to perform more detailed analysis. We would welcome further research on the impact of the pandemic on older women workers, which includes an intersectional focus.

**Unpaid Carers**

The pandemic has increased the pressure faced by unpaid carers, who report not being able to access breaks from caring or sufficient levels of support. Many unpaid carers do not have the opportunity to participate fully in the Labour Market due to their caring responsibilities. Although the Carer’s Credit scheme is available to make up gaps in National Insurance records for eligible carers, we find that awareness of the scheme is low. We would argue that any unpaid carer who is unable to work should be credited with full National Insurance contributions.

Scottish Government statistics record that people aged between 50-64 are the age group most likely to be unpaid carers – and approximately one in five people in this age group are carers.[[8]](#footnote-9) There is still a societal expectation that women, rather than men, will take on caring roles and for all age groups up to those over 65, women are more likely to be unpaid carers. This has a significant impact on their ability to work and if they are in work, their ability to progress in the workplace.

For carers returning to the workplace, it can be hard to explain gaps in a CV due to caring responsibilities. The Scottish Government’s Women Returners Programme is welcome, but a higher value fund is required across multiple years to enable more meaningful interventions to be made.

The role played by grandparents in childcare should also be recognised by Government and employers. Often, childcare provided by grandparents means that parents can continue to work and save money on childcare costs. Where grandparents themselves are working, employers need to recognise their caring responsibilities and ensure adequate support is available. Sandwich carers, who are caring for older relatives and for younger children at the same time, are another group who should be recognised and able to access support.

As our population ages, it is likely that the number of workers over 50 who need to take on caring responsibilities will rise. The Fair Work agenda must include all unpaid carers and ensure they can receive adequate support, including employment and financial support, to allow them to fulfil their caring responsibilities. More widely as a society, we need to do more to value and recognise the contribution of unpaid carers.

**Disability**

The disability employment gap increases with age and is highest for people aged 50 to 64.[[9]](#footnote-10) Ongoing work to tackle this disability employment gap should ensure disabled people of any age have the tools and support to access the Labour Market if they wish to.

1. **What do you believe are the opportunities for delivering Fair Work in the current economic climate in Scotland?**

 **Flexible Working**

Advances in flexible working made during the pandemic are welcome and should be continued going forward on a meaningful basis which includes more than just working from home. Flexitime, compressed hours, and job sharing should also available where possible.

Flexible working benefits all workers. For older workers, it may allow them to cut down on their working hours as part of a phased entry into retirement or allow them to balance paid work with other obligations and interests (for examples caring responsibilities or a volunteering role).

The adoption of technologies which allow people to work at home means that location flexibility has increased. The removal of the commute, even for a few days per week, could enable older workers to remain employed for longer thus improving their standard of living and resulting in a higher pension to support them in later life. However, it must be recognised that not all jobs can be carried out remotely.

**Net-Zero**

As the transition to a net-zero economy progresses, it is important that older workers have the opportunity to participate in reskilling and obtain new sources of employment. There are many older workers in sectors which are being phased out or undergoing significant changes as part of the Just Transition, such as the oil and gas industry. Opportunities to re-train must not be restricted and people over 50 should be given the same chances and access. New jobs being created must be good quality jobs with good terms and conditions which are accessible for workers of all ages and experience levels.

**Demographics and Ageing Workforce**

Demographic changes present an opportunity to ensure that Fair Work is done properly. Population forecasts suggest that the number of people above State Pension age will rise, but the number of people in the working age population will decrease – it’s therefore vital to harness this demographic change and ensure older workers are able to work for as long as they want and need to.

**Further actions to deliver fair work**

1. **Please set out any further actions you think the Scottish Government should take to deliver Fair Work for everyone. This may include for example any further support you think is needed.**

**Social Care**

The Fair Work Convention has previously highlighted social care as one of the sectors with the poorest Fair Work performance.[[10]](#footnote-11) The Scottish Government must move faster to drive Fair Work practices in the social care sector. This is more important than ever due to the combined impact of the pandemic, staffing shortages, poor pay and conditions, and Scotland’s ageing population.

Even before the pandemic, the social care sector was under strain and the sustained pressure faced by the sector over the course of the pandemic has exacerbated matters. Social care staffing shortages are happening in the wake of ever-increasing demand as our population lives for longer and often with multiple long-term health conditions. More people from all backgrounds need to see social care as a fulfilling career, with better pay and status across the profession. The implementation of the Independent Review of Adult Social Care’s recommendations for improved opportunities and working conditions must happen as swiftly as possible within the new National Care Service. With an estimated 146,600 over 50s (38.6% of sector employees) working in the “Health and Social Work”, older workers will also benefit from the implementation of Fair Work conditions.[[11]](#footnote-12) And, as the majority of workers in health and social care are women, improvements in pay and conditions will benefit women workers.

**Access to Training and Development**

The Scottish Government should ensure there is equal access to training and development opportunities for workers of all ages. This will ensure the skills gap between age groups doesn’t widen and that older workers aren’t excluded or isolated. Support and retraining opportunities for older workers must be central to Fair Work strategies. As mentioned above, older workers who lose their jobs are more likely to remain unemployed for longer, so access to training and development can be a lifeline in times of uncertainty and stress.

**Planning for the Future**

It is vital that the Scottish Government promotes the importance of having conversations about financial affairs and future planning much earlier in the work cycle, so people have adequate time to prepare for retirement. This will mean that less people are faced with poverty in their later life, which is difficult to move out of when living on a fixed or low income.

Over the last five years, Age Scotland has delivered 250 retirement workshops for nearly 3,500 people approaching retirement across Scotland. One of the most striking impressions we are left with is the low level of knowledge about basic finances among attendees. This lack of knowledge creates embarrassment, with the result that most attendees do not understand what income they will have in retirement or the lifestyle they will be able to lead. The feedback from these workshops suggests the majority of attendees needed this information 20 years earlier. Unsurprisingly, future planning is treated with less urgency than day to day financial and emotional pressures. Existing mechanisms of websites and guides are clearly not having the desired impact, and people will not proactively seek out information if they feel awkward about their lack of knowledge. Scotland’s employers and self-employed interest groups must be persuaded to do more to encourage their employees to engage – for instance, by allowing staff to attend a live session where people are able to ask questions and receive support.

**Age Inclusion**

The Scottish Government’s Fair Work agenda should promote a commitment to age-friendly employment, which recognises older people’s abilities and potential to contribute to the workplace.

**Data Collection**

To improve the quality of data available on our ageing workforce and to aid organisations with their future planning and understanding of their older workers’ needs, the Scottish Government should encourage employers to include key information on workers over 50 in their internal management packs. This could include data on the number of workers over 50, their other protected characteristics, their average length of service, and what proportion of the training budget has been spent on over 50s.

**Fair Work and employment powers**

1. **If Scotland had full control over employment law, which issues would you like to see addressed as a priority in order to deliver fairer work in Scotland?**

It is welcome to see the Scottish Government using the powers it does have to promote Fair Work. The Scottish Government should do all it can to ensure that older workers are not left behind during the recovery from COVID-19 and they should continue to feature in its economic and Fair Work strategies.

The Scottish Government has powers under the Scotland Act (2016) to provide employment support for disabled people and those at risk of long-term unemployment. Considering the impact of COVID-19 on the employment prospects of older people and the ageism which exists, we believe that older workers should also be included, more overtly, within these priority groups.

It must also maintain its leadership in this area as a major employer and continue to use its powers over commissioning and procurement to ensure local government, public sector organisations and private companies are instilling Fair Work practices. The Scottish Government should also publicise evidence about the value of older workers in the labour market. Skills development, lifelong learning, and appropriate employment support should also be on offer and promoted to older workers.

**Further ideas**

1. **What is the most important thing you or your organisation can do to help Scotland become a Fair Work Nation?**

With 82% of 55–64-year-olds seeing their age as a disadvantage when applying for a job, more must be done to embed age inclusive workplaces across Scotland. Age inclusive workplaces benefit employees of all ages and contribute to tackling ageism and discrimination in the workplace.

Age Scotland’s Age Inclusive Workplaces Team have worked with over 7,000 individuals and more than 200 organisations across Scotland to help them become more age inclusive. The team support and enable employers to build age inclusive workplaces and raise awareness of the importance of age inclusion to tackle ageism and discrimination. Age Scotland offers workshops, bespoke HR consultancy support and enables employers to share resources and good practice through the Age@Work Employers’ Network. We also offer pre-retirement workshops to encourage employees to plan for their financial futures and health and wellbeing sessions aimed at helping employees to keep working for as long as they want or need to. We would be keen to continue to engage with the Scottish Government and connect them to Scottish employers to hear first-hand views on older workers – something which we have done recently with regards to the new Women’s Health Plan and issues regarding menopause in the workplace.

**Want to find out more?**

As Scotland’s national charity supporting people over the age of 50, Age Scotland works to improve older people’s lives and promote their rights and interests. We aim to help people love later life, whatever their circumstances. We want Scotland to be the best place in the world to grow older.

Our Policy, Communications and Campaigns team research, analyse and comment on a wide range of public policy issues affecting older people in Scotland.

Our work is guided by the views and needs of older people themselves.

**Further information**

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1. <https://www.aviva.com/newsroom/news-releases/2018/08/UK-over-50s-work-longer/> [↑](#footnote-ref-2)
2. <https://www.gov.scot/binaries/content/documents/govscot/publications/factsheet/2017/06/partnership-action-for-continuing-employment-clients-over-50/documents/pace-services-experiences-clients-aged-50-pdf/pace-services-experiences-clients-aged-50-pdf/govscot%3Adocument/PACE%2BServices%2B-%2Bexperiences%2Bof%2Bclients%2Baged%2B50%252B.pdf> [↑](#footnote-ref-3)
3. <https://www.gov.scot/publications/scotlands-labour-market-people-places-regions-statistics-annual-population-survey-2020-21/> [↑](#footnote-ref-4)
4. <https://www.ageuk.org.uk/scotland/our-impact/policy-and-research/political-briefings/big-survey/> [↑](#footnote-ref-5)
5. <https://ageing-better.org.uk/news/end-furlough-likely-be-particularly-tough-older-workers> [↑](#footnote-ref-6)
6. <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-4-november-2021/coronavirus-job-retention-scheme-statistics-4-november-2021> [↑](#footnote-ref-7)
7. <https://prospect.org.uk/article/what-is-the-gender-pension-gap/> [↑](#footnote-ref-8)
8. <https://www.gov.scot/publications/scotlands-carers/pages/2/> [↑](#footnote-ref-9)
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10. <https://www.fairworkconvention.scot/our-report-on-fair-work-in-social-care/> [↑](#footnote-ref-11)
11. <https://www.gov.scot/publications/scotlands-labour-market-people-places-regions-statistics-annual-population-survey-2020-21/> [↑](#footnote-ref-12)