1. Introduction

The Scottish Government has made tackling inequality and creating an inclusive economy central to Scotland’s Economic Strategy, with the intention of fully integrating Scotland’s economic and social policies. The new strategy will be adopted at all levels of government and by all public bodies, including partner agencies such as Skills development Scotland, Scottish Enterprise and the Scottish Funding Council.

2. Strategic Framework

The strategy, which was published in April, recognises the growing international evidence to support the view that addressing inequality and promoting economic competitiveness are interdependent ambitions. These are the two pillars under which the Strategic Economic Framework has been developed, which is characterised by the following four key priorities underpinning the aims:

- An economy where growth is underpinned by long-term sustainable investment in people, infrastructure and assets;
- An economy where growth is based on innovation, change and openness to new ways of doing things;
- A society that promotes inclusive growth and creates opportunity through a fair and inclusive jobs market and regional cohesion to provide economic opportunities across all of Scotland; and
- A country with an international outlook and focus, open to trade, migration and new ideas.

A number of actions to deliver on these priorities are set out below.

3. Investment in people, infrastructure and assets

This includes a commitment to invest in people at all stages of life, ensuring that the workforce is skilled, healthy and resilient, while also being innovative, engaged and productive. There will be investment in physical and digital connectivity and a business infrastructure that supports innovation and growth, while providing high quality employment opportunities.

Investment will also ensure the protection of natural resources and there will be economic and social opportunities throughout the transition to a more resource efficient, carbon neutral economy.

There will also be investment in the success and resilience of local communities

4. Fostering a culture of innovation

This will include actions that support innovative businesses, while encouraging more innovation and research investment among Scottish businesses. There will be support for commercialising academic research and work with trade unions to develop progressive workplace practices. New approaches to public service reform will ensure that public procurement drives innovation.

5. Promotion of inclusive growth

Actions to promote inclusive growth will include a Fair Work, Convention, support for sustainable and well-paid jobs and removing barriers to participation in the labour market. Cross-generational inequalities will be tackled through improved childcare, attainment and early intervention. There will also be measures that promote more equal growth across towns, cities and rural areas.

6. Internationalisation

This will include the development of an International Framework and promotion of the Scotland ‘brand’; access to new markets abroad; the encouragement of more export-orientated businesses and the creation of an investment-friendly environment for foreign investors; plus a focus on securing major cultural and sporting events.

Set out below are the actions that will be taken to foster inclusive growth.

7. Children and Young People

Action to ensure young people receive equal access to opportunities, as set out in the Commission for Developing Scotland’s Young Workforce final report, is already underway and the Scottish Government has developed a 7 year national programme to deliver on its recommendations. The programme aims to remove barriers so that all young people, regardless of their situation, have access to relevant learning that will support them when entering the labour market.

A Commission on Widening Access to Higher Education will be established, with the aim of ensuring that at least 20% of university entrants come from the most deprived 20% in society.

There will also action to reduce the attainment gap, with a focus on deprived areas. The Scottish Attainment Challenge and the Attainment Scotland Fund will support this. Early
years investment will continue and Healthy Start will focus on improving maternal and infant nutrition in the early years.

8. Community Energy Empowerment Programme

Investment fund which will allow communities to access technical advice and capital will be available, aiming to support communities to own local energy assets, reducing energy bills through innovative technologies and earning a financial return.

9. Locally-focused and community based approaches

The Government will support approaches that are locally driven by communities themselves and organisations that harness the energy of local communities to tackle poverty and inequality, with the intention of creating a growing sense of democratic renewal and change. The Community Empowerment Act will support this aim, giving community groups more say in the design and delivery of services and empowering communities to take over public sector land and buildings for the benefit of their local area, or area of interest.

10. Community Benefit Clauses

The Scottish government will be examining the benefits of a community-based approach to economic development. Community Benefit Clauses will ensure that the award of Public sector contracts will be dependent on the delivery of tangible community benefits.

Such conditions can include

- Employment and training opportunities;
- Creating opportunities for SMEs and third sector organisations to deliver public services;
- Support for community initiatives; and
- Environmental benefits.

Community Benefit Clauses have been adopted in a range of major projects including:

- The Glasgow City Council Commonwealth Games contracts which created 500 new entrant trainees.
- Greater Glasgow and Clyde Health Board contract for Southern General Hospital including 113 apprenticeships, 202 work placements, and 504 training opportunities.
- The Scottish Government’s contract for the Energy Assistance Package which included 26 apprenticeships, 31 work placements, and 454 training opportunities.

11. Public Services

The Christie Commission recommendations remain the focus for public service reform, continuing with the shift to prevention, which should help tackle persistent inequalities and reduce demand. This recognises that solutions often lie with local communities and the
third sector that works with them, developing innovative approaches and achieving better outcomes. There will be continued investment to support early and local action that is responsive to need and helps tackle inequality, building the capacity and confidence of communities and individuals to control their own destinies.

12. Building Safer Communities

The Building Safer Communities Programme is an initiative that is being piloted in 7 areas of Scotland which focuses on wellbeing, resilience and communities that are safe from crime disorder and harm, aiming to reduce the number of victims of violent crime by 250,000. The programme has four priority themes: Prevention, People, Partnership and Performance and the approach is based on coproduction, where services are designed and delivered by service users in a holistic place-based way.

13. Procurement

Public bodies will be issued with guidance to support the Sustainable Procurement Duty, a requirement of the Procurement Reform (Scotland) Act, to ensure that they promote innovation through procurement activities.

Wherever it is possible that the market can offer innovative solutions, competitions will be launched and comprehensive market engagement undertaken. Specifications should be as open as possible to foster and encourage variations, with variant bids permitted wherever possible.

14. Scottish Business Pledge

To help ensure inclusive growth, the Scottish Government has developed the Scottish Business Pledge which will offer support to businesses in return for a number of commitments:

- Pay the Living Wage
- Commit to an innovation programme
- Not using zero hours contract
- Agreeing to pursue international business opportunities
- Making progress on gender balance
- Supporting Invest in Youth
- Supporting workforce engagement and development and other progressive workplace policies
- Playing an active role in the community, for example by working with local recruitment agencies and job centres

15. Promoting Equality and Tackling Inequality
There will be a particular focus on women with action to ensure 30 hours of free childcare per week, and a commitment to tackle the gender pay gap, occupational segregation and the gender imbalance in modern apprenticeships. The Scottish Government will also develop a Women in Enterprise Action Framework.

17. Third sector involvement

The strategy holds out a number of interesting opportunities for Scotland’s third sector, given its role in tackling inequality and delivering services against the priorities. The sector’s role is recognised in the following quote from the strategy:

“The Scottish Government recognises the critical role the third sector plays in addressing issues of inequality and the needs of disadvantaged communities, and the contribution that the sector makes to Scotland’s economy. The sector is essential to the design and delivery of public services, and to helping us find solutions to the economic and social challenges that Scotland faces.”

16. Implementation

The delivery of the Economic Strategy will bring an increased focus on local communities, ensuring that they have an opportunity to participate in shaping their local economy. Further powers will be devolved to the Scottish Parliament which may help shape growth in Scotland’s economy and the strategy outlines how these additional powers may be used.

Areas where further detail and direction will be provided include:

- Scotland’s International Framework
- Trade and Investment Strategy
- Scotland’s Oil and Gas Strategy
- Fair Work and Social Justice

18. Conclusion

The new Economic Strategy is described as tackling “wider social challenges than any other previous economic strategy for the Scottish economy since devolution”. Implementation of the strategy will provide a number of opportunities for third sector involvement, not least in supporting communities to deliver better outcomes locally. GCVS looks forward to working with partners in the future to help achieve the Strategy’s aims and will keep our members informed of opportunities related to the strategy that arise for the third sector over its 3 year duration.