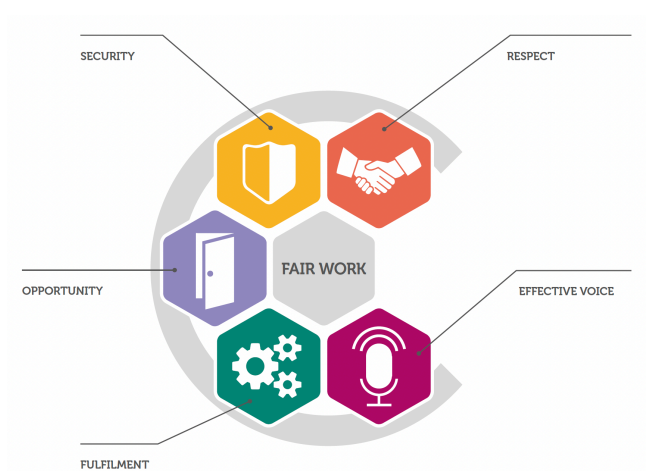


IS SCOTLAND NOW A FAIR WORK NATION?

A Jimmy Reid Foundation
report supported by the
Alex Ferry Foundation

April 2026



The Jimmy Reid
Foundation

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Executive Summary

- In August 2023, the Jimmy Reid Foundation published an Assessment of Fair Work in Scotland, supported by the Alex Ferry Foundation. The Scottish Government set a target for Scotland to become a Fair Work Nation by 2025, and our paper recommended actions to help achieve this goal. In this follow-up report, we review the progress so far and ask, 'Is Scotland now a Fair Work Nation?'
- Scotland has a history of adopting a distinctive industrial relations culture, with Scottish governments since devolution implementing initiatives to enhance working lives. Fair Work is the latest version of a process that, although employment law remains reserved to Westminster, aims to use the powers of devolution to encourage positive working practices.
- We analyse the progress in enhancing working lives in Scotland. Employment rates remain steady, unemployment is slightly lower than the UK average, and pay rates are marginally higher, with notably higher uptake of the Real Living Wage than in the rest of the UK. Collective bargaining and trade union membership are also more prevalent in Scotland. Nevertheless, the fundamental issues of low pay, poor working conditions, and limited voice in many workplaces continue to affect the Scottish labour market. There is little evidence that this overall situation has changed significantly since 2023.
- We revisited the trade unions and workplace representatives who contributed to the 2023 assessment. No respondents believed that the goal of becoming a Fair Work Nation had been achieved, and most reported that little had changed. However, some respondents identified improvements at their workplaces since 2023, particularly regarding precarious employment and union recognition. Their primary demand remains for quicker and stronger action.
- The Fair Work Convention has presented a generally positive assessment, although they agree that Scotland is not yet a leading Fair Work Nation. They highlight progress in using procurement and grant powers to expand Fair Work, as well as support tools, directives, and guidance. The report mentions long-term improvements between 2016 and 2024 in eleven indicators, including reductions in the gender and disability pay gaps and an increase in collective bargaining.
- The UK Government's Employment Rights Act could strengthen Fair Work, significantly improve individual rights, and enable trade unions to organise more effectively. However, there remains more to do, and this does not negate the case for devolving employment law to Scotland.
- We revisit the 19 recommendations from the 2023 paper. Limited progress has been made on most of these recommendations, and this analysis shows a continued reluctance to utilise all government levers or take decisive action swiftly.
- So, is Scotland now a leading Fair Work Nation? The short answer is no. The longer answer is more nuanced. Scotland's Fair Work initiative has made a limited but positive contribution to improving working lives, especially in the wider public sector. Ambition, pilot schemes, and guidance are important, but they must be followed by more concrete action.

In August 2023, the Jimmy Reid Foundation published an *Assessment of Fair Work in Scotland*, supported by the Alex Ferry Foundation.¹ The Scottish Government determined that Scotland would become a Fair Work Nation by 2025, and our paper recommended actions to help deliver this ambition.

The report concluded that the largely voluntary approach taken to Scotland's Fair Work initiative had made a limited but positive contribution to improving working lives, particularly in the broader public services. However, it had not yet delivered major results, as evidenced by the continued prevalence of poor-quality work across Scotland's labour market. If Scotland were to claim to be a Fair Work Nation in 2025, much more would be needed to turn that worthy ambition into reality.

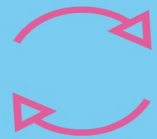
In this follow-up paper, we examine the progress made and ask: 'Is Scotland now a Fair Work Nation?' We examine the actions taken since 2023, returning to the trade unions and workplace representatives who engaged with the original assessment.

CAN SCOTLAND BECOME A FAIR WORK NATION IN 2025?

From ambition to delivery

PRINCIPLES

Define, refresh and communicate Fair Work principles.
Fully incorporate health and safety, flexible working and self-employment.



ENFORCEMENT

Call out poor employers.
Deliver and fund sectoral collective bargaining.
Proper evaluation weighting and monitor compliance.

PROCUREMENT

Widen Fair Work First and the National Performance Framework to all Fair Work dimensions.
Use all the levers of government, including skills, tax and incentives.



NATIONAL WORKFORCE FRAMEWORK

Staff governance framework for the public sector. Leading by example and setting a Fair Work template.

JIMMY REID FOUNDATION

[HTTPS://REIDFOUNDATION.SCOT](https://reidfoundation.scot)

¹ D. Watson, *Assessing Fair Work in Scotland*, (August 2023), <https://reidfoundation.scot/portfolio-2/assessing-fair-work-in-scotland/>

1. Fair Work Initiative

Since the start of devolution, successive Scottish governments have aimed to develop a unique approach to industrial relations in Scotland. The Labour-Liberal coalitions from 1999 to 2007 and the subsequent SNP administrations signed Memorandums of Understanding (MoUs) with the trade union movement in Scotland through the STUC. The practical use of these MoUs was to implement partnership working principles in the relationship between trade unions and the government. This didn't necessarily mean there was always agreement, but it resulted in fewer surprises, and both sides understood each other's positions during public disputes.

Although this engagement was at a fairly high policy level, the broad principles began to influence industrial relations structures. The best example was the introduction of a new HR policy in NHS Scotland in 1999. It aimed to transform a fractious industrial relations culture into a partnership model. An independent evaluation by Nottingham University concluded, '*In our view, partnership in NHS Scotland has matured into probably the most ambitious and important contemporary innovation in British public sector industrial relations.*'² While pay policy was a constant source of disagreement, along with the claimed 'social wage' trade-off between pay restraint and benefits, the policy of no-compulsory redundancies was another example of a different approach in Scotland. However, it was limited to the central government, leaving local government workers at risk, and the funding of council services remains a point of contention to this day. The Scottish Government took steps to minimise the impact through public-sector guidance. For example, while public bodies had to report their facility time to the UK Government, Scottish guidance puts facility time in its proper context with the joint STUC/Scottish Government publication guidance;³ The Scottish Living Wage was significantly boosted through the funding of field workers, which resulted in many more organisations in Scotland becoming Living Wage Employers. The Scottish Living Wage has slowly become the norm in public procurement.

The current Fair Work initiative came out of the *Working Together* Review, chaired by Jim Mather and had a broad-based membership from employers, trade unions and academics.⁴ The Scottish Government established the Fair Work Convention (FWC) in April 2015.⁵ The first significant output

² N.Bacon & P.Samuel, *Partnership in NHS Scotland 1999-2011*, (Nottingham University, 2012)

<https://www.staffgovernance.scot.nhs.uk/media/1384/nottingham-report.pdf>

³ Facility time reporting (2018), <https://www.gov.scot/publications/guidance-facility-time-reporting-public-sector-employers/>

⁴ Working Together Review (2014)

<https://www.webarchive.org.uk/wayback/archive/20170107140812/http://www.gov.scot/Publications/2014/08/4647>

⁵ Fair Work Convention, <https://www.fairworkconvention.scot>

from the FWC was the ‘Fair Work Framework’ (FWF) the following year.⁶ This framework expanded on the MoU by covering how the private sector and other public sector employers should treat their workers. Its aspirational vision was *‘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 Fair Work Dimensions

Fair work is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. It balances the rights and responsibilities of employers and workers. It generates benefits for individuals, organisations and society.

- Effective voice**
For individuals, the opportunity to have an effective voice is crucially important. Having a say at work is consistent with the broader suite of rights available to citizens in democratic societies.
[Read More](#)
- Opportunities**
It is a reasonable aspiration to want work that is fair – and for fair work to be available to everyone. Fair opportunity allows people to access work and employment and is a crucial dimension of fair work.
[Read More](#)
- Security**
Security of income can contribute to greater individual and family stability and promote more effective financial planning, including investment in pensions.
[Read More](#)
- Fulfilment**
Fulfilment can also arise from positive and supportive workplace relationships that promote a sense of belonging and this overlaps strongly with respect as a dimension of fair work.
[Read More](#)
- Respect**
Respect at work enhances individual health, safety and wellbeing. Dignified treatment can protect workers from workplace related illness and injury and create an environment free from bullying and harassment.
[Read More](#)

The Scottish Government’s ‘Fair Work First’ announcement in October 2018 added more teeth to the process. This made the Fair Work criteria the default (but not universal) approach to public procurement, *‘Details will vary depending on the size of companies and the circumstances of different sectors, but Fair Work First means investment in skills and training, no exploitative zero hours contracts, action on*

*gender pay, genuine workforce engagement, including with trade unions, and payment of the Real Living Wage.’*⁷ In July 2023, the Scottish Government extended Fair Work encouragement to public sector grants.

The Scottish Government has a system of National Performance Indicators (NPI). These include a section on Fair Work and Business. Specific Fair Work indicators include the living wage, the gender pay gap, gender balance, contractually secure work, and employee voice.⁸

One of the challenges in delivering Fair Work is getting engagement from a wider range of employers. Melanie Sims (University of Glasgow) studied employer coordination in Scotland, and highlighted, *‘A lack of systematic attention to coordination means that channels of consultation of employers are often relatively ad hoc, which risks a lack of legitimacy and representativeness.’* Her key argument is that social partners are shaped by the context of the structures, institutions and ideas within which

⁶ Fair Work Framework (2016), <https://www.fairworkconvention.scot/wp-content/uploads/2018/12/Fair-Work-Convention-Framework-PDF-Full-Version.pdf>

⁷ ‘Fair Work First’ announced by FM, (Oct. 2018), <https://www.gov.scot/news/fair-work-first-announced-by-fm/>

⁸ Scottish Government, National Indicator Performance, <https://nationalperformance.gov.scot/measuring-progress/national-indicator-performance>

they operate.⁹ This makes the case for stronger Fair Work institutions, including sectoral collective bargaining, to strengthen the effectiveness and legitimacy of employer coordination.

The FWC published an action plan to help deliver the aspirations set out in the Framework and ensure that Scotland becomes a leading Fair Work nation by 2025. It outlines actions to promote fair and inclusive workplaces across Scotland. This incorporates actions to tackle the gender pay gap, the disability employment gap, and an anti-racist employment strategy, driving Fair Work practices for all.¹⁰ The political context was a sustained attack on trade union rights by the Conservative UK Government, much of which has been overturned in the Employment Rights Act 2025, although many of the provisions will be implemented by secondary legislation.¹¹

The Fair Work Convention has also undertaken several sector inquiries into Fair Work. In 2019, they published a report, *Fair Work in Scotland's Social Care Sector 2019*.¹² The report called for urgent interventions to improve the quality of work and employment for the 200,000-strong workforce in Scotland. It made five recommendations, including that the Scottish Government support the creation of a new sector body to establish minimum standards for fair work terms and conditions, and reform social care commissioning. However, progress has been desperately slow until very recently.

Other inquiries have examined challenging sectors, including construction and hospitality. The construction inquiry found that while many employers have implemented Fair Work in their businesses, the construction industry is not consistently delivering fair work, and it made 26 recommendations for change.¹³ The FWC has also developed practical tools to help workers assess Fair Work in the workplace and a support tool for employers. This was followed by strategic partnerships with CIPD Scotland and the Scottish Council for Voluntary Organisations (SCVO).

The Scottish Government frequently highlights the importance of Fair Work in their strategies for the Scottish Economy. These messages are often presented in terms of what more could be achieved if employment rights were devolved and Scotland became an independent nation.

⁹ M.Simms, *The dynamics shaping experiences and prospects of employer coordination in a Liberal Market Economy: The case of Scotland*, (EID, 1-23, 2003), <https://eprints.gla.ac.uk/299279/1/299279.pdf>

¹⁰ Fair Work Action Plan (December 2022) <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2022>

¹¹ UK Government, *Plan to Make Work Pay and Employment Rights Act: timeline update*, (Feb. 2026) <https://www.gov.uk/government/publications/implementing-the-plan-to-make-work-pay-and-employment-rights-act/plan-to-make-work-pay-and-employment-rights-act-timeline-update>

¹² Fair Work in Scotland's Social Care Sector 2019 (FWC, 2019) <https://www.fairworkconvention.scot/our-report-on-fair-work-in-social-care/>

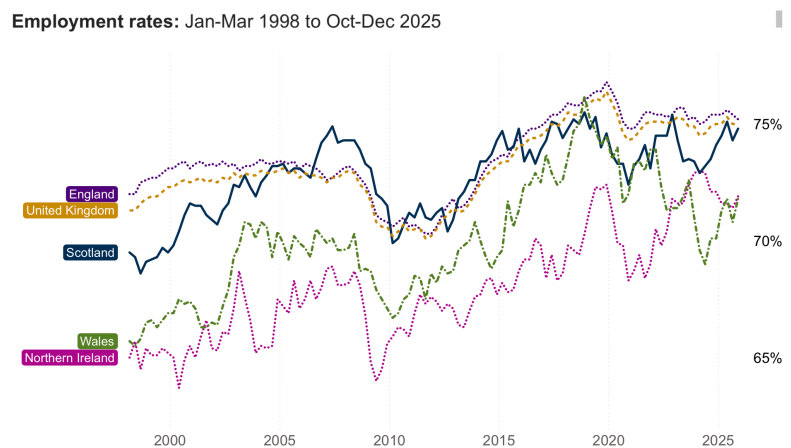
¹³ Building Fair Work into the Construction Industry, (FWC, 2022), <https://www.fairworkconvention.scot/fair-work-in-scotlands-construction-industry-2022/>

2. Working Lives in Scotland

In our 2023 report, we argued that Fair Work is a response to a broad consensus across civil society and politics in Scotland that poor work causes negative outcomes far beyond the labour market. Insecure jobs, long hours, and low pay affect families and communities and are key drivers of inequality. More than half of households in poverty in Scotland are in work. We also know from international evidence that unequal societies perform worse on every measure.

We highlighted the available evidence on working lives in Scotland. The CIPD Working Lives Scotland 2022 report presented a mixed picture of fair work in Scotland. The 2025 report shows little progress on the key metrics.¹⁴ Twenty-six per cent of Scottish employees (around 690,000) say work negatively affects their mental health, and 24 per cent report negative impacts on their physical health. High workloads, stress, exhaustion, poor workplace relationships, and work–life imbalance are associated with negative health outcomes. Over a fifth (22%) of Scottish employees find it hard to relax during their personal time because of work. Automation driven by Artificial Intelligence (AI) is starting to impact the workplace, with 12% of tasks now automated, mostly repetitive. More positive findings include a higher rate of flexible working than pre-pandemic levels, with 76% reporting a positive effect on their quality of life. Employee voice remains low, even when considering the CIPD’s generous definition. Workers in non-unionised workplaces without effective representation often rely on Citizens Advice Scotland (CAS) for support. They report high levels of workplace unfair treatment and respond to around 50,000 cases per year. CAS has also highlighted that 19% of workers in Scotland are unsure of their employment rights. The latest CAS analysis shows little improvement.¹⁵

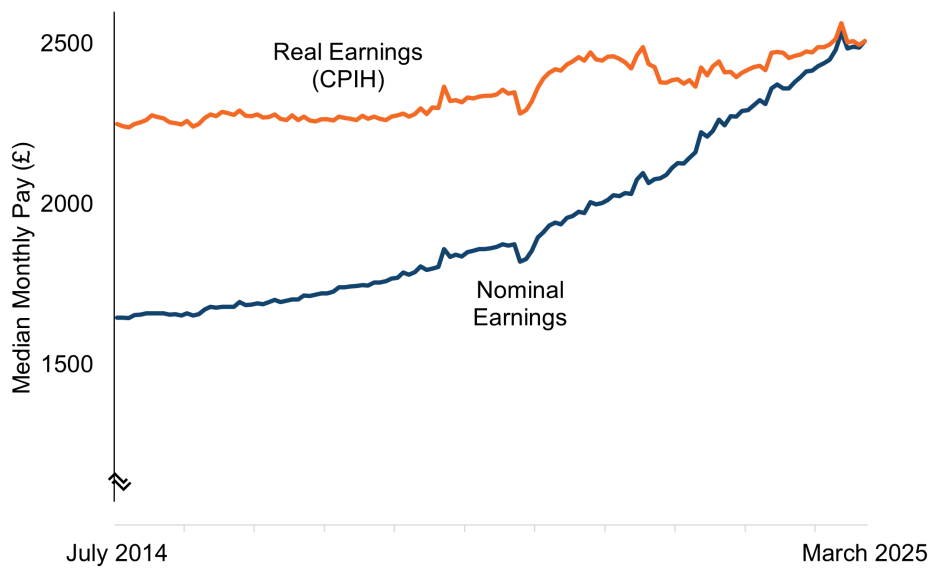
Employment rates remain fairly stable, with the gap between Scotland and the rest of the UK closing since 2000. The unemployment rate for people aged 16 years and over in Scotland, based on the ONS Labour Force Survey, was estimated at 4.2 per cent for December 2024 to February 2025. Scotland's unemployment rate was below the UK's 4.4 per cent. The median monthly pay for payrolled employees in Scotland was £2,508, an increase of 5.3 per cent in nominal terms compared to the same period the previous year. The latest earnings data show that the



¹⁴ Working Lives Scotland, (CIPD, June 2025), <https://www.cipd.org/uk/knowledge/reports/working-lives-scotland/>

¹⁵ CAB Scotland, *Data report*, <https://www.cas.org.uk/sites/default/files/2025-03/June%2024%20data%20report.pdf>

UK median for full-time employees in April 2025 was £766.60 per week. Scotland's £773.80, therefore, sits slightly above the UK median on the latest comparable release.



The Westminster Scottish Affairs Committee conducted an inquiry into future working practices in Scotland. They highlighted the growing use of insecure work and unfair working practices.¹⁶ The Learning and Work Institute published a report, *Good Jobs in Scotland*, which painted a less than glowing picture of the labour market in Scotland, some seven years after the Fair Work Framework was announced.¹⁷ They found that pay has improved compared to 2011 in Scotland, and trade union membership has remained stable between 2011 and 2019. However, other measures of job quality – underemployment, employer investment in development opportunities, and over-employment – have worsened.¹⁸

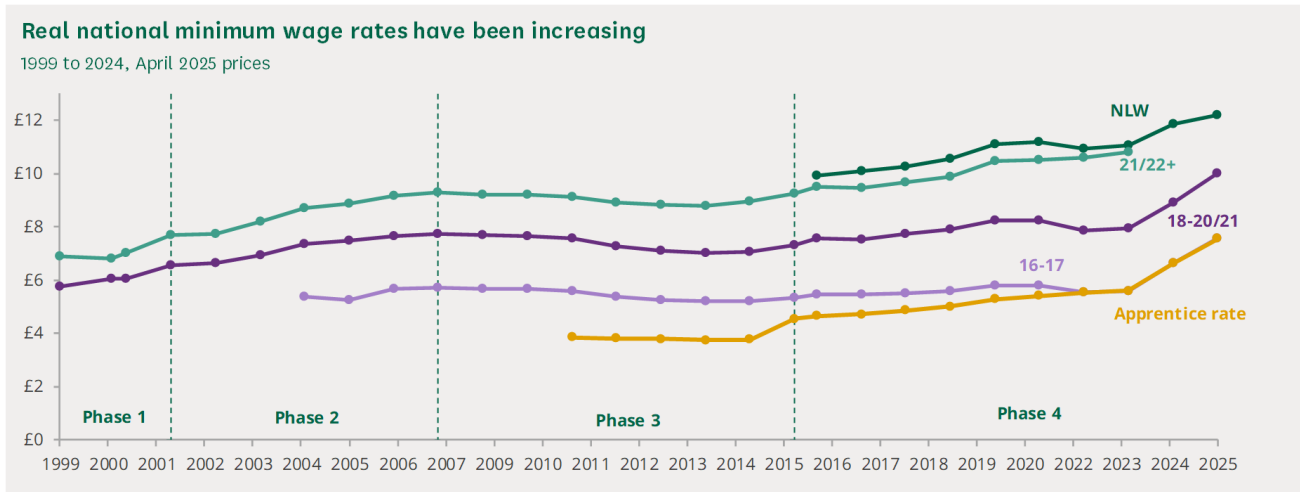
The higher uptake of the Real Living Wage in Scotland remains a success story, with roughly five times as many accredited Real Living Wage employers as in the rest of the UK. The rate is now £13.45 per hour. Over 72,000 workers in Scotland received a pay rise in October 2025 because more than 3,900 employers in Scotland are registered. Since the Real Living Wage campaign started in 2011, more than £4.2 billion in extra wages has gone to low-paid workers across the UK, with over £680 million driven by employers in Scotland. On 1 April 2026, the UK government increased the National Minimum Wage (NMW) and National Living Wage (NLW) to support low-paid workers, with above-inflation increases. The rate for workers aged 21 and over (NLW) will rise to £12.71 per hour, while larger percentage

¹⁶ Scottish Affairs Committee, *The future of working practices in Scotland*, (March, 2018), <https://publications.parliament.uk/pa/cm201719/cmselect/cmsscota/449/44902.htm>. Including evidence invited from JRF: https://publications.parliament.uk/pa/cm201719/cmselect/cmsscota/449/44910.htm#_idTextAnchor050

¹⁷ Learning & Work Institute, *Good Jobs in Scotland*, (2022), <https://learningandwork.org.uk/resources/research-and-reports/good-jobs-in-scotland/>

¹⁸ Over-employment is the practice of holding two or more jobs, adding up to more than a full-time job. Underemployment typically occurs when workers who want a full-time job are working part-time.

increases are set for younger workers and apprentices. The UK has a relatively high minimum wage, in monetary terms, compared with other OECD countries. In 2024, the UK had the fourth-highest adult minimum wage among OECD countries (based on the National Living Wage rate), after accounting for differences in the cost of living.¹⁹ Stronger collective bargaining in many economies may also explain these differences.



The higher proportion of workers being paid the Real Living Wage is important, but this doesn't mean they are not low-paid. It is not the same as paying the union-negotiated rates or the median or mean hourly wages by sector. The Carnegie UK Trust published a report, *What Next for Fair Work in Scotland?*, that examined the pandemic's impact on Fair Work.²⁰ They highlighted how the pandemic deepened existing inequalities in access to good work and impacted incomes and pay packets. The Mental Health Foundation published a report highlighting the link between Fair Work and mental ill health.²¹ Mental ill health costs Scotland around £11bn a year, and it is estimated that mental health problems cost Scottish employers £2 billion annually. The Reid Foundation/Scottish Hazards paper, *Tackling the causes of working-age ill health*, examines rising levels of ill health that cost UK businesses up to £41 billion a year, with 1.77 million workers suffering from poor job quality.²² Very few employers (as low as 3%) invest in the wider range of services that occupational health professionals can provide. For too many employers, the solution to ill health at work is increasingly punitive absence management systems and dismissal.

¹⁹ House of Commons Library, *National Minimum Wage statistics*, (10 Feb. 2026), <https://commonslibrary.parliament.uk/research-briefings/cbp-7735/>

²⁰ Carnegie UK Trust, *What next for Fair Work in Scotland?*

²¹ Mental Health Foundation, *Fair Work Consultation Scotland*, (2022), <https://www.mentalhealth.org.uk/our-work/policy-and-advocacy/fair-work-consultation-scotland>

²² D. Watson & I. Tasker, *Tackling the causes of working-age ill health*, (Reid Foundation, June 2025), <https://reidfoundation.scot/2025/06/tackling-the-causes-of-working-age-ill-health/>

IPPR Scotland highlighted the impact of insecure and low-paid work in their post-pandemic study, 'Delivering a Fair Work Recovery in Scotland'.²³ They found that one in five workers surveyed in Scotland typically receive two weeks' notice or less of their working hours, and one in 10 employees (over 200,000 people in Scotland) feel their work does not offer them a stable and predictable income. Their recent report argues that the welfare state is a springboard to economic success and a better country.²⁴ 11.4 per cent of jobs in Scotland are paid below the Real Living Wage – around 288,000 jobs. The scale of in-work poverty in Scotland is worsening, with a recent report by the Joseph Rowntree Foundation noting that 6 in 10 people in poverty in Scotland live in a household where someone works.²⁵

Employer organisations often reference Fair Work on their websites. In the main, they simply explain Fair Work and provide links to the Fair Work Convention and Scottish Government guidance. Some go further with positive encouragement and case studies. The voluntary sector broadly supports Fair Work, and the Scottish Council for Voluntary Organisations (SCVO) is a strategic partner of the FWC. However, they often point to the need for government and councils to properly fund Fair Work.

Not everybody is impacted by unfair work in the same way. Women's employment remains characterised by undervaluation, low pay, discrimination, and insufficient and unreliable working hours. This is particularly true for young women, disabled women and Black and minoritised women. Single parents, 91% of whom are women, also face multiple and specific barriers to good-quality employment. There are also challenges for young workers, who often face unfair work in particular sectors. The Scottish Living Wage does not have age-related rates and, therefore, is less discriminatory.²⁶

The self-employed are also generally ignored in discussions about Fair Work. The realities of self-employment and entrepreneurship are actually much worse than the very limited official statistics suggest. About 20% of Scots are classed as 'entrepreneurs', most of whom are 'self-employed' (i.e. single-person businesses), and at least 3/4 are officially in poverty.²⁷ Without fair self-employment, they lack sick pay, paid holidays, employer pension contributions, maternity/paternity pay and rights, etc.

²³ IPPR Scotland, *Delivering a Fair Work Recovery in Scotland*, (2021), <https://www.ippr.org/files/2021-08/delivering-a-fair-work-recovery-in-scotland-august21.pdf>

²⁴ S. Boyd, *More than a safety net*, (IPPR Scotland, Feb. 2026), <https://www.ippr.org/articles/more-than-a-safety-net>

²⁵ JRF, *Poverty in Scotland 2025*, <https://www.jrf.org.uk/poverty-in-scotland-2025>

²⁶ P. Findlay, R. Stewart & P. Anderson, *Fair Work in Modern and Graduate Apprenticeships in Scotland*, (SCER, 2022), <https://dera.ioe.ac.uk/38177/1/fair-work-modern-graduate-apprenticeships-scotland.pdf>

²⁷ M. Danson, L. Galloway & M. Sherif, *From unemployment to self-employment: Can enterprise policy intensify the risks of poverty?* (Science Direct, March 2021), <https://www.sciencedirect.com/science/article/abs/pii/S1045235420300174>

We should emphasise that many of the challenges facing Fair Work in Scotland are replicated worldwide. Gallup's *State of the Global Workplace 2023* highlights improving yet still low engagement levels, rising 'quiet quitting', staff turnover, and record-high employee stress levels.²⁸

There are also less obvious deteriorations in working lives. Some argue this lies in a fundamental deterioration in people's relationship with their work, and that the work may need to shoulder some of the responsibility. These include autonomy, how much control and influence you have when it comes to doing your job and is key to how most employees feel about their work. Boundary management is the ability to manage the physical and mental boundaries between work and non-work lives. Achieving a suitable work-life balance has become even more important in a world of hybrid working. Finally, "precarity" refers to a lack of stability and security in life. It refers specifically to a harmful state of uncertainty typically associated with job insecurity (for example, zero-hours contracts).²⁹

From the above, we can see that while Fair Work has influenced working lives in Scotland, the core issues of low pay, poor working conditions, and the lack of a real voice in many workplaces still persist in the Scottish labour market. There is limited evidence that this overall situation has changed significantly since 2023.

²⁸ Gallup, *State of the Global Workplace: 2023 Report*, <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>

²⁹ J. Byrne, *The trend for 'quiet' and 'soft' quitting is a symptom of our deteriorating relationship with work*, (The Conversation, May 2025), <https://theconversation.com/the-trend-for-quiet-and-soft-quitting-is-a-symptom-of-our-deteriorating-relationship-with-work-248787>

3. Trade Union Representatives and Fair Work

The STUC and its affiliates have a longstanding position of supporting the Fair Work initiative. Senior trade union representatives sit on the board of the Fair Work Convention, and trade unions have welcomed many of its initiatives. However, that support is not unconditional. There are frequent calls from affiliates for the rhetoric of fair work to match the reality, especially in critical sectors such as child care, social care, hospitality, and construction. Disputes in the public sector are not uncommon, even in cases where you might expect them to be covered by Fair Work principles. This also clearly establishes that trade union independence is not compromised by their support for Fair Work. In the private sector, unions have often complained that Fair Work principles have not provided them with access to organise workers in contracts funded by the Scottish Government. In particular, the Fair Work dimension regarding employee voice has not always been interpreted as trade union recognition or collective bargaining, although that is improving.

Trade unions in Scotland understand Fair Work and incorporate it into their activities. However, the results are varied. The initiative has had some influence in the public sector, and the Scottish Government has been willing to engage seriously in negotiations to resolve public sector pay disputes during the cost-of-living crisis. This approach has been much faster than that of their UK counterparts, resulting in less strike action in Scotland. Nonetheless, Fair Work's success in the private sector is less certain. This is expected, as the Scottish Government has more tools at its disposal when applying Fair Work principles across the public sector, even when it is not the direct employer. In the private sector, voluntarism faces limitations, especially in sectors less inclined to adopt the policy.

2023 Study

An important part of the 2023 study was to explore the experiences of trade union representatives involved with Fair Work. We achieved this through interviews with trade union representatives, mainly at the workplace level, using questionnaires, face-to-face interviews either in person or via Zoom, and focus groups. Over one hundred trade union representatives were interviewed. Most of these were workplace representatives, although some held broader responsibilities as branch officials. While concentrating on workplace representatives, the findings were also discussed with lay and full-time officials who strategically applied Fair Work principles.

Nearly all (90%) of the public-sector representatives interviewed had heard of Fair Work, but most had only a limited understanding of its principles and measures. Knowledge was strongest in central government and NHS Scotland, with most able to articulate at least some of the principles and actions taken. This understanding diminished the further they were from the centre, with most Non-Departmental Public Bodies (NDPBs) recognising Fair Work but possessing less knowledge of its principles and measures. Local government representatives had even less understanding of Fair Work, with some questioning its application. Education representatives showed a high level of awareness,

though their understanding of the details was limited. Voluntary sector representatives generally understood the concept but again lacked detailed knowledge. Almost all private-sector representatives interviewed (although the sample was small) had never heard of Fair Work.

About one-third of representatives had used Fair Work to negotiate with employers. Fair Work was often employed defensively during negotiations, such as when employers attempted to act against Fair Work principles. In the voluntary sector, its potential impact on procurement was used effectively by several representatives and, in a few cases, prompted a Fair Work review and awareness training. Although it certainly didn't replace traditional bargaining tools like industrial action, Fair Work is regarded as a useful leverage point in negotiations by a significant number of representatives.

Although this list appears positive, some managers claimed they had never heard of Fair Work or argued that it was not relevant to them. Several representatives, mainly in the colleges' sector, complained that management was quick to mention the principle of Fair Work but less eager to implement it. When asked why Fair Work was not utilised, representatives frequently described a lack of information, scope, or clarity regarding its practical application. This issue affects both representatives and employers, particularly middle managers and those below. Several representatives noted that Fair Work was used at the employer level but had not been reflected in local negotiations.

Most representatives called for increased publicity and awareness. This should come from the Scottish Government to carry weight with employers and be complemented by improved training for line managers. While representatives recognised that government influence might be limited outside the public sector, Fair Work principles should also be applied more rigorously within the public sector and through procurement processes. The phrase 'it needs more teeth' was frequently used in responses to this question, along with claims that it is too abstract and high-level. Several respondents went further, advocating for legislation and enforceable provisions. A common request was for clarity on the scope of Fair Work. There was a clear understanding that it applied to the Real Living Wage and employee voice, including collective bargaining. The other principles were viewed as too abstract, and their practical application unclear. Health and safety issues were particularly emphasised.

Representatives also believed their trade union could do more to enhance Fair Work's effectiveness. They recommended providing guidance on how to utilise it in negotiations, including practical examples. A dedicated guide or other resources would be appreciated, and these should be incorporated into induction training for new representatives and courses for more experienced members.

The 2023 findings showed that Fair Work is well known among the public and voluntary sectors, though it has little traction in the private sector. However, there is limited understanding of the principles and measures needed to implement Fair Work. It is strong in central government but weaker the further an organisation is from the centre. Additionally, it is perceived as a high-level concept that has yet to influence management culture at the local level.

Fair Work has enhanced working lives across various bargaining issues and has been effectively utilised by representatives in negotiations. It has been particularly influential in increasing minimum wage levels and has contributed to strengthening collective bargaining. Additionally, it has prevented proposals that would have clearly violated Fair Work principles. However, progress has been slower in implementing the other principles, and significant managerial resistance to change persists.

Representatives are not opposed to Fair Work and recognise that it can improve working lives. They believe it requires more information, better guidance, and stronger enforcement to make further progress. Trade unions can also do more to support representatives.

Follow-up survey

The follow-up survey was conducted by contacting as many of the original participants as possible, along with gathering views from trade unions and other involved parties. The online survey posed the following questions, and this framework was used in other discussions.

- The Scottish Government aimed for Scotland to be a leading Fair Work Nation by 2025. Do you believe this has been achieved?
- Do you believe 'Fair Work' has improved since 2024 at your workplace?
- What have you used 'Fair Work' for at work for? Please give examples.
- What changes need to be made to 'Fair Work' to make it more useful for your work as union representatives? Please give examples.
- Any other comments?

The number of responses was understandably much lower than in 2024, since this was a desktop exercise without fieldwork.

No respondents believed that the goal of becoming a Fair Work Nation had been achieved. The majority of respondents reported that little had changed in their workplace since 2024. However, some respondents could point to improvements at their workplace since 2024. Examples of engagement included organising and recognition in the heritage and culture sectors, social care, and the voluntary sector. However, none of the 52 recommendations in two reports on Scotland's Culture Sector was enacted before the Scottish Parliament session ended for the 2026 elections.³⁰ Several representatives and trade unions highlighted progress on precarious employment, including zero-hours and temporary contracts. Others mentioned actions on recognition and reforms of bargaining structures. Concerning the changes needed, the responses were nearly identical to those in the 2024 survey. In particular, the need for measurable consequences for employers who refuse to adopt Fair Work principles. This should include loss of grants, access to procurement, and the naming and

³⁰ Petition, *No more Creative Standards - Cement Fair Work in the Art of Scotland*, <https://www.megaphone.org.uk/petitions/no-more-creative-standards-cement-fair-work-in-the-art-of-scotland>

shaming of the worst offenders, as is done with minimum wage violations. There was also a request to share positive examples of Fair Work more widely.

Union representatives in colleges were amongst the most critical of Fair Work implementation in 2024. In the follow-up survey, several highlighted some modest improvements in industrial relations. In January 2026, the Scottish Government announced that Fair Work policies are to be extended at colleges and universities in Scotland as part of a larger change to the funding arrangements for these institutions.³¹ Currently, colleges and universities must meet only two Fair Work First policies: payment of the real Living Wage and recognition of workers' voice, such as trade union recognition. The Scottish Funding Council will now look to ensure that institutions aim to adopt all Fair Work First criteria from April 2027. Action on zero-hour contracts and flexible working was particularly welcomed, although others pointed to the slow pace of change. Other respondents highlighted that the major issue remained poor management culture.

Several respondents highlighted current challenges for Fair Work, including the Scottish Government's public sector reform programme and flexible working policies within the Scottish Government. An IPPR Scotland report argues that the Scottish Government's plan for public service reform is based on flawed assumptions and includes multiple strategies 'pulling in contradictory directions'.³²

³¹ Scottish Government, *Supporting fair work practices*, (14 January 2026), <https://www.gov.scot/news/supporting-fair-work-practices-2/>

³² IPPR Scotland, *Scotland risks sleepwalking into austerity*, (31 March 2026), <https://www.ippr.org/media-office/ippr-scotland-report-warns-scotland-risks-sleepwalking-into-austerity-as-public-sector-job-cuts-loom>

4. A Fair Work Nation?

Introduction

As mentioned earlier, there is widespread agreement that Fair Work is a positive initiative supported by trade unions and their representatives. The challenge is to move from aspiration to effective implementation that brings about meaningful change to Scotland's employment culture. The Scottish Government released a consultation paper, *Becoming a Fair Work Nation*, in October 2021. It sought opinions on the actions needed to realise the Scottish Government's shared vision, as well as who should lead and support those efforts, taking into account the opportunities and challenges faced by respondents' sectors and workplaces. The summary of consultation responses indicated continued support for Fair Work principles, with more work needed to maximise the opportunities.³³ These included adopting sector-specific approaches and longer-term public-sector funding for early learning and childcare, social care, local government, and the third sector, among others. Investment in training, skills development and apprenticeships was also seen as beneficial. The challenges included engaging smaller organisations, securing funding, raising organisational awareness, and strengthening managerial capacity.

Fair Work Convention Assessment

The Fair Work Convention has undertaken its own assessment of Scotland's performance as a 'Leading Fair Work Nation'.³⁴ It concludes that *'Scotland has made significant progress towards its goal of becoming a leading Fair Work Nation... But the findings suggest that Scotland won't be a leading Fair Work Nation by 2025.'*

They highlight progress in encouraging the Scottish Government to fully utilise its powers to implement Fair Work. This includes applying Fair Work First to around £4 billion of public sector funding up to March 2023 and to over £6 billion of public sector grants. Fair Work features in key strategies, and Fair Work directives have been issued by Scottish Ministers to the Scottish National Investment Bank and South of Scotland Enterprise to embed fair work conditions. Scotland remains the best-performing among the four UK nations, with the highest proportion of employees (18+) paid the Real Living Wage. They also emphasise sectoral progress, with investigations into challenging sectors such as construction, hospitality, social care, retail, culture, and childcare. Further support tools have been developed, along with capacity-building activities.

³³ Scottish Government, *Becoming a Fair Work Nation: consultation analysis*, (May 2022)

<https://www.gov.scot/publications/consultation-scotland-becoming-fair-work-nation-analysis-consultation-responses/pages/0/>

³⁴ Fair Work Convention, *A leading Fair Work Nation? Significant progress made, but still a way to go*, (Nov. 2025), <https://fairworkconvention.scot/a-leading-fair-work-nation-significant-progress-made-but-still-a-way-to-go/>

The report points to long-term improvements between 2016 and 2024 in eleven indicators, including narrowing the gender and disability pay gaps, and an increase in collective bargaining. Low Pay fell from 17.8% in 2016 to 2.8% in 2024; underemployment rate fell from 8.4% in 2016 to 5.2% in 2024; involuntary part-time work fell from 14.0% in 2016 to 9.9% in 2024. Two indicators worsened: work-related ill health and trade union membership.

Table 1 - Scotland's performance in 2016, 2021 and 2024 and related changes in performance.

Dimension	Indicator	Change since 2016	Change since 2021	2016	2021	2024
Opportunity	Disability Employment Gap			37.4 p.p.	31.2 p.p.	31.5 p.p.
	Gender Economic Inactivity Gap			8.7 p.p.	6.2 p.p.	6.0 p.p.
	Unemployment Rate for Young People			11.8%	10.2%	10.8%
Respect	Workplace Non-Fatal Injuries			630 per 100,000 (2015/16-2017/18)	510 per 100,000 (2018/19-2020/21)	530 per 100,000 (2021/22-2023/24)
	Work-Related Ill Health and Disease			3.5% (2015/16-2017/18)	4.1% (2018/19-2020/21)	4.7% (2021/22-2023/24)
Effective Voice	Trade Union Membership			29.3%	28.7%	27.0%
	Collective Bargaining			33.4%	36.3%	37.4%
Security	Gender Pay Gap			15.0%	10.3%	8.6%
	Underemployment			8.4%	6.5%	5.2%
	Permanent Employment			94.2%	95.0%	95.4%
	Involuntary Non-Permanent Work			32.0%	28.8%	24.5%
	Involuntary Part-Time Work			14.0%	13.7%	9.9%
	Low Pay			17.8%	13.0%	2.8%
Fulfilment	Skills Underutilisation	no data		N/A	28%	30% (2025)

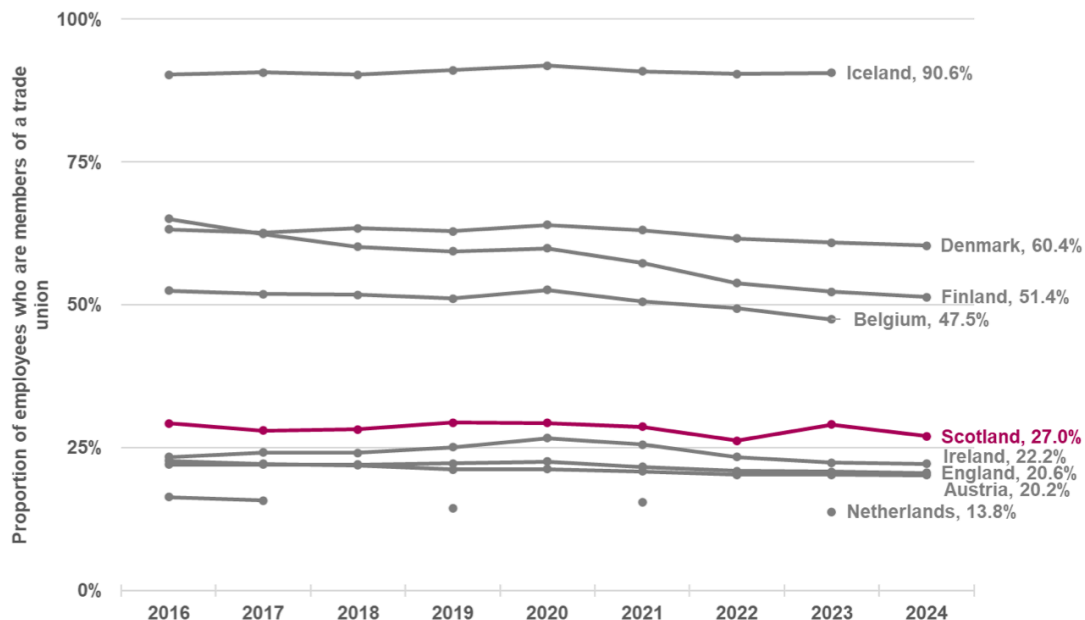
Scotland's data/ position improved

Scotland's data/ position worsened

Note: Estimates refer to years 2016, 2021 and 2024 unless otherwise specified.

While the comparative international data is challenging, Scotland’s position has improved in some comparators, and remained stable or declined in others. Areas for improvement remain, including collective bargaining, trade union membership (which remains significantly higher than in England), employment gaps, and insecure work. The difficulty with all the above data is determining the extent to which Fair Work contributed to any improvements in working lives in Scotland.

Figure 15 - Proportion of employees with Trade Union Membership by country, 2016 to 2024.



The Fair Work Convention set out seven key actions for the Scottish Government to take by 2025. Several of these relate to targets and data collection, on which insufficient progress has been made. In particular, the need to measure and policies related to active labour market policies. A full evaluation of Fair Work First is underway, but while the Scottish Government has taken action on existing policies, it has not significantly strengthened Fair Work conditionality across all areas of government policy. Progress in key areas, such as collective bargaining in social care, has been extremely slow, although there has been some funding to promote Fair Work in the early learning and childcare sector. A new voluntary social care bargaining body has been established and will begin negotiating in 2026, with deals implemented from 2027-28. The Scottish Government is taking immediate action to improve conditions for workers delivering commissioned services in the private, voluntary, and independent sector, including: funding an increase in maternity and paternity entitlements to bring them in line with those of staff employed directly by local government; and funding Protecting Vulnerable Groups (PVG) checks for workers.³⁵

For the future, the report says, ‘To further strengthen and embed fair work, the Scottish Government should work with the Convention to:

³⁵ Scottish Government, *Improving social care pay and conditions*, (18 March 2026), <https://www.gov.scot/news/improving-social-care-pay-and-conditions/>

- Create a renewed vision for fair work with clear targets and actions identified which support the overall ambition of becoming a leading Fair Work Nation.
- Consistently develop clear fair work objectives and measures to be included within Active Labour Market Policies.
- Undertake further research based on the evidence in this report and consider how international learnings can be applied within the Scottish context.
- Ensure that the evaluation of Fair Work First supports improvements in the effectiveness of conditionality.

Employment Rights Act

An important goal of the Fair Work initiative was to differentiate Scotland’s industrial relations culture from the UK’s. This was particularly clear during the last Conservative government, which restricted individual workers’ rights and weakened collective bargaining. Although employment law is reserved for the UK government, Fair Work served as a means of opposing the Conservatives’ attacks on workers. The incoming UK Labour Government signalled a new approach, which has been reflected in the Employment Rights Act 2025.³⁶ It immediately significantly improves trade unions’ ability to access and organise new workplaces. In the coming period, workers will become entitled to better sick pay, parental leave, and protection from unfair dismissal; there will be new duties on employers to prevent sexual harassment of their employees; and everyone working on a zero-hours contract will have access to a contract with stable hours. As the IPPR analysis explains, the *‘Employment Rights Bill represents a significant step forward in the regulation of precarious work. Many of the bill’s most impactful policies have the potential to make workers more productive, which would boost overall economic growth.’*³⁷ Prime Minister Keir Starmer said: *‘Today we have proved what a pro-business, pro-worker government can achieve – a modern framework for worker’s rights. This Act sets in motion an increase in living standards, supporting productivity and importantly, more security and dignity for people in work. When we said we’d bring work into the 21st century, we meant it – and today we’ve delivered it.’*³⁸

Important though the ERA is, it does not encompass everything required to modernise employment rights. The Institute of Employment Rights highlighted several of these during the Bill’s passage, concluding, *‘So while the Employment Rights Bill is a big step forward, it is clear that there are bigger*

³⁶ ACAS, Employment Rights Act 2025, <https://www.acas.org.uk/employment-rights-act-2025>

³⁷ IPPR, *Reaping the productivity dividend: How the employment rights bill could impact growth*, (Nov. 2025), <https://www.ippr.org/articles/productivity-dividend-employment-rights-bill>

³⁸ UK Government, *New laws bring the world of work into the 21st century*, (18 Dec. 2025), <https://www.gov.uk/government/news/new-lawsbringthe-world-of-work-into-the-21stcentury>

*steps yet to be taken to undo the restrictions and address the neglect of the last 14 years.*³⁹ They focus on the failure to deal with single worker status and the absence of a legislative mechanism to deliver collective bargaining.⁴⁰

Critics also include Unite, which welcomed the Act and called for it to be implemented quickly, but General Secretary Sharon Graham also highlighted a gap in the legislation: *'Labour needs now to stop being embarrassed by these new laws for workers. The bill had already been watered down far too much, not least the failure to ban fire and rehire and zero-hour contracts. This will come as a surprise to workers.'*⁴¹ TUC General Secretary Paul Nowak, while striking a more welcoming tone, also referred to the unfinished nature of the proposals: *'While there is still detail to be worked through, this bill signals a seismic shift away from the Tories' low-pay, low-rights, low-productivity economy.'*

While there has been a focus on the ERA's impact in individual rights, the TUC rightly points to the repeal of major parts of the Trade Union Act 2016, *'Strong collective bargaining rights and unions are key to tackling problems of insecurity, inequality, discrimination, enforcement and low pay, and it's welcome that large parts of it are being repealed.'*⁴² This is one of the weakest aspects of Fair Work in Scotland, and the ERA gives trade unions significant new tools in the organising armoury.

The establishment of the UK's new Fair Work Agency (FWA) on 7 April 2026 marks a significant shift in the labour market enforcement landscape. It will initially combine the roles of the Employment Agencies Standards Inspectorate and the Gangmasters and Labour Abuse Authority, as well as the oversight function of the Office of the Director of Labour Market Enforcement. Many will hope that this can be developed into an effective enforcement agency. However, there are concerns that the UK Government's approach to deregulation could undermine its effectiveness.⁴³ The IER has published a briefing that highlights other risks.⁴⁴ Some employers continue to resist implementing the legislation. For example, big retailers argue that jobs are at risk due to guaranteed-hours reforms. As USDAW says,

³⁹ K. Ewing & J. Hendy, *A Big Step Forward: But Bigger Steps Required – A Note on the Employment Rights Bill*, (IER, Nov. 2024), <https://www.ier.org.uk/wp-content/uploads/The-Employment-Rights-Bill-An-IER-briefing-25-11-2024.pdf>

⁴⁰ J. Hendry, *Working Life Podcast*, (IER, 6 March 2026), <https://www.ier.org.uk/news/watch-highlights-from-ep-1-of-the-working-life-podcast>

⁴¹ UNITE, *Employment Rights Bill: No more delays in delivering workers' rights*, (16 December 2025), <https://www.unitetheunion.org/news-events/news/2025/december/employment-rights-bill-no-more-delays-in-delivering-workers-rights-unite>

⁴² TUC, *Your guide to new Employment Rights 2026*, (18 Feb. 2026), <https://www.tuc.org.uk/resource/your-guide-new-employment-rights-2026>

⁴³ E. Mellino, *Fair Work Agency's priorities criticised days before its launch*, (Guardian, 5 April 2026), <https://www.theguardian.com/business/2026/apr/05/fair-work-agency-criticised-launch-dead-duck-employment-rights>

⁴⁴ D. Whyte & R. Dukes, *Briefing: the Government's Fair Work Agency risks becoming a 'toothless watchdog'*, (IER, April 2026), <https://www.ier.org.uk/publications/briefing-the-governments-fair-work-agency-risks-becoming-a-toothless-watchdog/>

‘Tackling precarious employment is good for the economy, growth and individual workers who should have the decency of a guaranteed wage that they can live off.’

Reid Foundation Recommendations

While Fair Work has broad support in principle, nearly all those interviewed in our 2023 study cited the slow pace of change and poor implementation as their main concerns. This is also reflected in the numerous reports we highlighted and the ongoing prevalence of low-quality work. If Scotland is to truly become a Fair Work Nation, we argued that much more must be done to turn this ambition into reality. All social partners need to collaborate with the government to develop an economic strategy for Scotland that places Fair Work at its centre.

Based on the study’s work, we proposed focusing on the following actions, with our commentary (in italics) on progress made since 2023.

1. There is a need to specify what Fair Work looks like more clearly. NHS Scotland’s PIN policies are a model that could be adopted more widely in this regard. Supported by more investment in supporting skills development, which enables Fair Work.

As the Fair Work Convention report highlights, more needs to be done to renew the vision for Fair Work with clear targets. The responses from trade union representatives indicate that there is still more to do on skills development. However, it is encouraging that this has been highlighted in the announcement about colleges and universities.

2. The Fair Work principles and messaging need to be refreshed well before 2025 and backed up with action. This could include more on the business case and testimonials focusing on hard-to-reach sectors, similar to the approach adopted by the Scottish Living Wage Campaign. There should be a focus on young workers, where even basic employment rights are poorly understood.

The principles have not been refreshed, and more needs to be done for young workers. Recent unemployment and ill-health data for this group are worsening, and more could be done to strengthen awareness of employment rights, even as wages and legal rights improve.

3. Government should identify poor employment practices. That means naming, shaming and speaking out against poor employment practices such as zero/notional hour contracts and fire and rehire practices. Good employers are generally engaged with the Fair Work agenda, but encouragement only goes so far, with bad employers undermining the initiative and the economy. As Unite Scotland said in their *Becoming a Fair Work Nation* response, ‘There exist no concrete action measures to penalise, incentivise and censure companies that break Fair Work principles.’

The Scottish Government remains unwilling to call out poor employment practice, reflecting its voluntarist approach. Other regulators take a stronger line, and ministers should reflect this approach. This was specifically highlighted by union representatives in the follow-up survey.

4. Fragmented approaches to employer coordination constrain the legitimacy and effectiveness of the collective employer voice in Scotland. Strengthening the institutions supporting fair work, including sectoral collective bargaining, will provide strong incentives for employers to coordinate more effectively.

Many employers will only engage fully with the Fair Work agenda if they have an incentive to do so. Otherwise, Fair Work will struggle to reach the more challenging sectors.

5. While progress has been made on some elements of Fair Work, particularly the Real Living Wage, more focus is needed on other principles, including collective bargaining. While there are differences in relation to powers, a broader version of the New Zealand Fair Pay Agreements model is worth considering in areas where the Scottish Government has procurement leverage.⁴⁵ Other devolved governments use a pre-assessment certificate to weed out poor employers from procurement. The Victoria Government in Australia uses a Fair Job Code to achieve this, including a complaints procedure.⁴⁶ There should be a relentless focus on low-paid sectors, which often have poor employment practices.

There has been a clearer line on employee voice, moving on from the near-useless CIPD definition, which includes one-to-one meetings with managers and team meetings. However, a firmer line could be taken across all aspects of government policy. The Scottish Government's response to these issues all too often talks about more guidance, hubs and action sometime in the future.

6. There is a strong relationship between collective bargaining coverage and low-wage work. The Scottish Government should promote sectoral collective bargaining in areas with the most leverage, including social care and childcare. The slow pace of implementing the widely supported FWC recommendations on the social care sector illustrates this. The National Care Service also needs to regulate the kind of market and austerity-based price competition all too often pursued by local authorities. Despite significant new public sector investment, nothing appears to have been done to address this issue in early learning and childcare.

Progress on social care collective bargaining has been glacial, although it has now been established and will begin its work in 2026. Other than funding for the early learning and childcare sector, there has been little progress elsewhere.

7. Procurement is the crucial leverage to support Fair Work under devolved powers. There has been some progress in tightening the process, and we understand there will be new guidance shortly. However, Fair Work First is still drawn too narrowly, and there is some evidence that it is not given sufficient weighting in bid evaluation. The Real Living Wage has been a success story partly because it is a simple yes/no criterion. This approach needs to be applied to other Fair Work criteria. When procurement contracts have been awarded based on Fair Work assurances, these need to be monitored regularly.

⁴⁵ Employment New Zealand, *Second package of Fair Pay Agreements Regulations*, (June 2023), <https://www.employment.govt.nz/about/news-and-updates/second-package-of-fair-pay-agreements-regulations/>

⁴⁶ Victoria Government, *Fair Jobs Code*, <https://www.buyingfor.vic.gov.au/fair-jobs-code-suppliers-and-businesses>

The Real Living Wage, while important, remains the main focus of Scottish Government procurement activity. Funding for flexible working is welcome, although the approach to hybrid working inside the Scottish Government does not appear to be compatible with this. In other respects, action appears limited to pilot projects and additional guidance.

8. Procurement reform is particularly important in the voluntary sector. While there is more the sector could do to strengthen Fair Work in its employment practice, the government needs to play its part through longer-term core funding.

The sector continues to push the issue. The Scottish Government's response discusses pilot schemes for multi-year awards. The FM said, 'It's a small first step, yes, but it signals a fair direction of travel to increasing multi-year funding across the sector'.

9. It is welcome that Fair Work is a significant element of the National Performance Framework (NPF) and that employee voice is now measured as those covered by collective bargaining. However, the data indicates that the proportion of employees who have reported that they are part of a collective agreement which affects their pay and conditions has fallen by 6.3 percentage points (38.1% to 33.7%) between 2007 and 2020. In 2020 it stood at 33.7%. Having such an indicator, even if the data is dated, is a start, but action to address this needs to be more actively pursued in economic strategies. Other indicators in the NPR, such as work-related ill health, skills and workplace learning, should be included in the Fair Work evaluation.

There has been a modest improvement in collective bargaining, and the ERA should help raise these internationally low levels.

10. The separation of workplace skills in the NPF indicates that more needs to be done to incorporate education and skills in the Fair Work initiative. There is significant government investment in skills training, and this should come with Fair Work requirements. For example, an external review by Education Scotland of training in Hospitality Modern Apprenticeships did not refer to Fair Work, and it is not an evaluation criterion.⁴⁷ A study for the Equality and Human Rights Commission concluded, '*little evidence being found to support a contention that procurement was used as a mechanism for advancing equality in employment.*'⁴⁸ The Young Persons Guarantee has lots of practical guidance for employers. Still, there is only a gentle encouragement towards paying the Real Living Wage, and other Fair Work criteria are not spelt out.⁴⁹ A revitalised lifelong learning provision will prepare workers for the challenges facing workers in the new economy.

There is little evidence that the Scottish Government is using its levers in this area as much as it could.

⁴⁷ Education Scotland, A report on the external review by Education Scotland of training in Hospitality Modern Apprenticeships, (March 2019), <https://education.gov.scot/media/ungdqf1e/modernapprenticeshipreport.pdf>

⁴⁸ EHRC, Modern apprenticeships Part 3, (July, 2013), <https://www.equalityhumanrights.com/en/our-work-scotland/our-work-scotland/research-scotland/modern-apprenticeships>

⁴⁹ Young Persons Guarantee, Financial Wellbeing Toolkit, https://www.dyw.scot/uploads/1/0/5/5/105538585/financial_wellbeing_toolkit_2_.pdf

11. As with skills, Fair Work should be applied to every area of government investment and interaction with the labour market. This includes the enterprise agencies, City Region and Growth Deal Plans, and the Scottish Investment Bank. Fair Work principles should be applied across all policy areas. Cross-government working is often difficult to deliver, and the existing civil service units are small and modestly funded. A new labour market agency should be considered to monitor fair work compliance and drive the implementation of Fair Work.
There has been some progress in extending Fair Work across government, including the Scottish National Investment Bank. The Employment Rights Act 2025 will create a new state employment rights enforcement agency called the Fair Work Agency (FWA). This may provide a template for stronger enforcement action in Scotland.
12. Fair Work conditionality should be extended to tax allowances and bonuses for businesses (e.g. business rates) along with positive incentives, such as discounts, for companies that adopt Fair Work practices.
No progress, or it appears any intention to use these levers.
13. Limited labour market data in Scotland constrain progress in Fair Work. There is also a need for a structured evaluation tool for Fair Work that credibly measures progress across all the principles.
There has been some evaluation by the Fair Work Convention, but less from the Scottish Government.
14. A National Workforce Framework could prevent wasted effort reinventing the wheel on issues like staff transfer, pensions, secondment and standard procedures. This could include a staff governance framework incorporating Fair Work, similar to that adopted by NHS Scotland, and a common approach to training and development.
While the Christie Commission's recommendations on issues like this are often referenced, action is much rarer.
15. Incorporate health and safety more explicitly in Fair Work principles and in Fair Work First, focusing on mental health risks. The government could do more to highlight the positive impact of an effective collective trade union employee voice in Scotland on health, safety, and the economy. Engage Public Health Scotland and press for an NHS-led national occupational health scheme as advocated by Scottish Hazards.
There has been no significant progress, as we highlighted in our paper on workplace ill-health. The UK Government's Mayfield report also falls far short of the necessary action, with too much reliance on a failed 'market-led' solution.
16. Flexible working by default should be part of the Fair Work criteria. The Scottish public sector should lead by example on flexible working, including the compressed working week. The business benefits should also be promoted as part of Fair Work.
There has been some funding and initiatives to promote flexible working, as noted above. Despite some employers attempting to resist progress in this area, the figures seem to be stabilising.
17. Self-employment in Scotland (one-sixth of the workforce) often does not provide an environment for inclusive economic growth, a sustainable livelihood, and a context of Fair

Work. Business support and advice are required specifically for business start-ups to integrate Fair Work principles. However, most self-employment comes from those who used to be in the employed workforce, and they should be fully included in Fair Work.

This remains a largely overlooked element of Fair Work, and more could have been done in the ERA to address it. Fair Work does not cover this workforce, reflecting significant structural changes in the economy, so Fair Work needs to be redefined much more comprehensively.

18. It was clear from our interviews that trade unions also need to do more to promote and develop Fair Work in all aspects of their work, with practical guidance for workplace representatives. An education pack would help unions incorporate Fair Work in induction and introductory training.

There has been some capacity-building among trade unions on this issue, and there is a new toolkit from TUC Education. But more could be done, especially including those outwith the public sector and large employers.

19. There is a strong case in principle for devolving employment law to Scotland. However, that case needs to be developed and then promoted. The trade union movement in Scotland should lead that work in consultation with others.

There is little chance of the UK Government changing its stance on this issue after Labour abandoned the previous policy in favour of devolved employment law. The UK Government contends that it is unnecessary because of its actions regarding employment rights. Sadly, this shows a fundamental misunderstanding of the purpose of devolution. We outline the case for devolution and practical measures in our 2024 paper, 'Devolving Employment Legislation.'⁵⁰

⁵⁰ D. Watson, *Devolving Employment Legislation*, (Reid Foundation, 2024), <https://reidfoundation.scot/2024/02/devolving-employment-legislation/>

5. Conclusion

This paper details the Fair Work initiative in Scotland and the progress made since devolution. It mainly relies on voluntary efforts to improve employment standards through the powers of the devolved government, including soft-power promotion and more assertive procurement and grant-awarding powers. As Scotland's largest employer, the public sector can lead by example. Fair Work reflects a broad consensus across civil society and the political spectrum in Scotland that poor working conditions result in negative outcomes beyond the labour market. Insecure employment, long hours, and low pay affect families and communities and are key factors driving inequality.

While Fair Work has impacted working lives, the fundamentals of low pay, poor working conditions, and the absence of effective voice in many workplaces remain features of the Scottish labour market. The rhetoric of Fair Work still fails to match the reality. In particular, in critical sectors such as child care, social care, hospitality, and construction. To move beyond mere aspiration towards actual implementation that causes fundamental change in employment culture, we made recommendations within the powers of the Scottish Government, employers, and trade unions to enact. We do not dismiss the issue of devolving employment law, which would inevitably strengthen Fair Work. However, the focus remains on what can be achieved now.

Our 2023 study examined Fair Work and its impact on the workplace, based on the experiences of workplace representatives. The findings showed that Fair Work still enjoys strong name recognition in the public and voluntary sectors, but has little traction in the private sector. However, a detailed understanding of the principles and measures needed to deliver Fair Work remains limited. Fair Work has improved working conditions across various bargaining issues and has been used effectively by representatives in negotiations. It has been most successful in increasing minimum wage levels, with less progress in realising other principles. Representatives recognise that Fair Work can help improve working lives. They believe it needs more information, clearer guidance, and stronger enforcement to make further advances. Trade unions can also do more to support representatives. Follow-up work indicates that this remains the case, though there has been modest progress in some sectors.

Based on this evidence, we outlined recommendations for further action. In this report, we analyse the progress made on these recommendations, taking into account the Fair Work Commission's own assessment. The Fair Work Convention presents an optimistic view of progress while recognising that Scotland is not yet a leading Fair Work Nation. The Scottish Government has been slow to implement many key recommendations. There are numerous examples of pilot schemes, guidance, and plans, but there seems to be a reluctance to utilise all government levers or take decisive actions.

The largely voluntary approach taken to Scotland's Fair Work initiative has made a limited but positive contribution to improving working lives, particularly in the broader public services. However, it has not yet delivered major results, as evidenced by the continued prevalence of poor-quality work across Scotland's labour market. The ambition to be a leading Fair Work Nation in 2025 has not been achieved.

Author and Acknowledgements

Dave Watson is the Director of the Jimmy Reid Foundation, a think tank which brings together different voices from across Scotland to make a case for economic, environmental, political and social equity and justice in Scotland and further afield.



Dave was closely involved with Fair Work as the head of policy and public affairs with UNISON Scotland until his retirement in 2018. He drafted key Fair Work initiatives, including procurement legislation and guidance on time off for trade union duties and activities. He was also seconded to the Scottish Government in the early years of devolution to manage the implementation of a new HR strategy in NHS Scotland, an earlier iteration of Fair Work principles. He holds a Lifetime Achievement Award from the Scottish Living Wage campaign.

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Born in Liverpool, he spent his teenage years in London before working for UNISON in Wales, Dorset and 29 years in Scotland, apart from government secondments. He lives in Ayrshire and is a published historian and secretary to the Socialist Health Association Scotland and the Keir Hardie Society. He is a Fellow of the Royal Society of Arts and an Associate Fellow of the Royal Historical Society.

The author is grateful to the trade union representatives and others who gave up their time to contribute to this study. In particular, the Jimmy Reid Foundation is grateful for the support and funding provided by the Alex Ferry Foundation, without which this work would not have been possible.

Publication information

When citing this document, please use the following citation: Watson, D. *Is Scotland a Fair Work Nation?* (Glasgow, Jimmy Reid Foundation, 2026)

This report is published by the Jimmy Reid Foundation, 14 West Campbell Street, Glasgow G2 6RX, with support from the Alex Ferry Foundation.

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