

# Economic Research alert

March 2022



This alert provides an overview of research in the public domain over the last month with a focus on the priorities from our [business plan](#) which are **Jobs** (new, good, green), **Net zero** (transition to net zero economy), **Place** (regional growth, national place making)

- Businesses continue to struggle to **attract** and **retain staff**.
- A record number of **start-ups** are being founded by **women** – outstripping male led companies for this first time since 2018.

- The Understanding Scotland survey finds there is a clear consensus among the Scottish population that **climate change** constitutes a **global emergency**, with 4 in 5 people saying so, and only 12% disagreeing.
- Recent analysis suggests only about 6% of G20 pandemic recovery spending has been “**green**”.

- **Edinburgh** saw the highest level of investment in hotels of any city outside of London last year with 11 deals worth around £260m during 2021.
- The Annual Investment Tracker from AGCC forecast investments worth more than **£12bn** will flow into the **north-east of Scotland** in the coming decade.

- The pandemic **accelerated digital transformation** in Scotland by 3.3 years, according to new research. If this change continues at its current pace, it could add **£76 billion** to UK GDP by 2025.
- “No more 9-5 say workers, the **future of work is hybrid**” suggests research.

- Introducing a four-day working week can reduce staff absence and turnover while increasing productivity and the quality of applicants, a [new report](#) has found.

- The State of the Nation Directors [Survey](#) finds that 35% of respondents do not feel confident they can recruit people with the right skills this year. (IoD) Scotland has found that its members are conscious of a significant skill gap, with 44% not believing they have the right number of skilled people for their current jobs.

- [Research](#) from Grant Thornton finds that Scottish businesses are struggling to attract or retain talent. Of the 50 mid-sized businesses surveyed more than 54% are experiencing unusually high attrition rates – with more people leaving their business than normal.

- The Institute of Directors has published [findings](#) which suggest 36% of business leaders feel UK businesses are not doing enough to address gender discrimination in the workplace.

- The IFS has published [research](#) on earnings inequality, as part of the Deaton Review, suggesting the situation has worsened over the past 40 years. It argues minimum wage provisions, introduced in the 1990s, boosted low earners' wages while middle earners and those in non-traditional employment experienced slow wage growth.

- [Scotland](#) has improved its performance in PwC's [Women in Work Index](#), thanks to advances in the country's gender pay gap and an increased share of women in full-time employment. However, it slipped one place to third in the rankings, largely due to a much-improved year for Wales, which moved from seventh to second. The South-west of England remained in first place.

- The Rose Review's 2022 Progress [report](#) has found a record number of start-ups are being founded by women, with the growth of female venturers outstripping male-led companies for the first time 5,951 since 2018.

- BEIS has [highlighted](#) 39.1% of FTSE 100 top board roles were held by women in 2021. The new [data](#), compiled in the FTSE Women Leaders Review, also found FTSE 250 and FTSE 350 companies all increased their representation of women in leadership roles in 2021.

- The Nuffield Foundation has published a [report](#) reviews recent research on employment skills and finds problem solving, critical thinking and communication will become increasingly essential as technology becomes more embedded in the workforce. It warns that failure to develop these skills could lead to underemployment.

- A recent [survey](#) among 1,000 'white-collar' staff, found that 58% are currently suffering from low morale in the workplace - rising to 63% in the 45 to 54 age bracket. 65% of Scottish workers consider quitting as wellness takes precedence over pay.

- Timewise has published the [Scottish Flexible Jobs Index](#), which found only 27% jobs in Scotland offer flexible working. The report urges employers to consider new ways to attract candidates, take early action to be ready for government directives on flexible recruitment, take a proactive approach to flexible working, and explore time-based flexibility.

- New [research](#) from Nesta looks at how addressing installation and running costs could make heat pumps more accessible.
- The Climate Change Committee (CCC) has published a [report](#) for the Scottish Parliament on whether Scotland is climate ready. The CCC assessed the progress of the second Scottish Climate Change Adaptation Programme ([SCCAP2](#)) and found more needs to be done to translate ambition into real-world adaptation action, with further climate change in Scotland now inevitable, independent of how quickly global greenhouse gas emissions are reduced.

- 24% of Gen Z employees (18 to 24-year-olds) would not work at a business that profits from unsustainable practices, according to a new [poll](#). However, pay remains the most attractive job feature for most surveyed, including young people.

- Recent [analysis](#) suggests only about 6% of G20 pandemic recovery spending has been “green”. In addition, 3% has been spent on activities that will increase carbon emissions, such as subsidies to coal, and will do little to reduce greenhouse gases or shift the world to a low-carbon footing.

- The Public Accounts Committee has published a follow-up [report](#) on achieving net zero. It finds the UK government “still has no clear plan for how the transition to net zero will be funded”.

- A [report](#) from the Resolution Foundation looks at the impacts of the net zero transition on households and consumption. It looks at how policy makers should assess the challenges that come as net zero policy enters a new phase.

- Audit Scotland has produced a [report](#) on addressing climate change in Scotland which provides a high-level summary of the key improvements that need to be made across the public sector if Scotland is to reach its climate change ambitions of a just transition to net zero.

- SPICe has published a [briefing](#) to support consideration of environmental fiscal measures in Scotland and indicate where they may be used to address climate and ecological emergencies.

- A [report](#) on public attitudes towards the environment and climate change finds a clear consensus that climate change constitutes a global emergency, regardless of age, sex or socioeconomic status.

- A [report](#) from WWF looks at how the agriculture and land use sectors in the UK can help fight climate change. It suggests that unless we radically change how our land is used and what we eat, we will not be able to tackle climate change and recover our precious natural habitats.

- [Research](#) from Wrap suggests that supermarkets should stop selling fresh produce such as apples and potatoes in plastic packaging because it does not make them last longer and adds to pollution and food waste.

- The [Energy Outlook 2022](#) explores the key uncertainties surrounding the energy transition and is focused on three main scenarios: Accelerated, Net Zero and New Momentum

- [Figures](#) from Association of Leading Visitor Attractions for suggest that visitor attractions need continued support as number of visitors going to UK attractions in 2021 remain at 57% below 2019 pre-pandemic figures.

- The Demos-PwC [Good Growth for Cities Index](#) suggests [Scotland's cities](#) are emerging from the pandemic with renewed priorities, largely focused on fairness, the environment and an improved work-life balance. Edinburgh is placed in the first half of the index, at 19th, while Aberdeen and Glasgow are 37th and 42nd respectively.

- [Research](#) shows that book festivals are worth more than [£11.3m](#) to the Scottish economy and offer “huge benefits” both socially and economically. It found that in 2019 they attracted audiences of nearly 780,000 and invested almost £6.7m in staff, goods and services. However, attendances dropped by more than 50% - with the majority attending online - in 2020.

- [Analysis](#) from Knight Frank showed that Edinburgh saw the highest level of investment in hotels of any city outside of London last year with 11 deals worth around £260m during 2021.

- More than four shops a day on average disappeared from Scotland's main retail areas last year, according to [data](#) from PwC and the Local Data Company. A total of 1,424 chain shops closed, with 673 opening, giving a net loss of 751. The loss for 2020 was 652.

- Aberdeen is Scotland's third most exposed to online shopping scams, new [research](#) has revealed. The study by Payback Ltd analysed ONS data on how much different age groups shop online, and the age of the population in all 32 Scottish councils to pinpoint the area most at risk of online shopping scams.

- The Aberdeen and Grampian Chamber of Commerce has published the findings of its [annual investment tracker](#) for the Aberdeen City Region. It has forecast investments worth more than £12bn will flow into the north-east of Scotland in the coming decade, while £3.2bn in projects have been completed since 2017.

- A recent [paper](#) from Food Research Collaboration suggests that policymakers should be more aware of the place and planning aspects of food and could use the National Food Strategy to specifically improve urban and rural food resilience.

- A [report](#) from the University of Southampton suggests, as a result of the pandemic, the nature of work has changed permanently for many people and offers opportunities for organisations to adopt more considerate and efficient work practices as offices reopen.

- The majority of young people (77%) believe inequality in the UK jobs market has increased since the start of the pandemic, a [survey](#) has found. 50% believed that the graduate recruitment market was inclusive of talent from all backgrounds.

- [Research](#) from the IHME has indicated that the impact of the pandemic threatens to reverse decades of progress towards gender equality, with women hit much harder socially and economically.

- A [report](#) by IEA analyses the impact of the pandemic on the transport sector, specifically on aviation, rail and motoring. It notes changes in consumer and working habits have had, and will continue to have, a considerable impact on the way we travel.

- The pandemic and shift to remote working has had a significant impact on organisations' attitudes towards a shorter working week finds new [research](#). 65% of businesses surveyed are now implementing a 4 day working week for some, or all of their staff, compared with 50% who answered the survey in 2019.

- The pandemic accelerated digital transformation in Scotland by 3.3 years, according to [research](#) from CEBR which is higher than the UK average of three years. If this change continues at its current pace, it could add £76 billion to UK GDP by 2025. The report also notes that Scottish workers are embracing hybrid work more than anywhere else in the UK - on average, Scottish employees want to work 2.8 days a week from home – a rise of 254% compared with before the pandemic.

- The Resolution Foundation has published its [Living Standards Outlook](#), which explores how household incomes may change based on economic forecasts and government policy. It also looks at how COVID has impacted living standards over the past two years, considers the impact of the war in Ukraine, and also looks at how the UK recovers from the pandemic.

- The Institute for Government has published a [report](#) looking at post-Brexit support for agriculture. It analyses the UK Government's plans for post-Brexit agriculture support in England and recommends the UK Government must do more to ensure long-term value for money and satisfy both farmers and environmentalists.

- UK [universities](#) have seen an almost 50% increase in the number of US students applying for courses since Brexit. This has coincided with a 40% drop in the number of EU students coming to the UK between 2020 and 2021. The rise is the "largest proportional increase in applicants of any major nation", UCAS said in a [report](#).