

Economic Research alert

April 2023

This alert provides an overview of research in the public domain over the last month with a focus on **Jobs, Innovation, International** and **Investment**.

- Research shows that **52% of over 50s** in Scotland who have left the workforce since the pandemic cite **early retirement** as their main reason for leaving. **Sickness and disability** are also significant drivers for over 50s leaving the workplace early in Scotland.
- If progress towards gender equality at work continues at its historical rate, an 18-year old woman starting work today will **not see pay equality in her working lifetime** suggests the PWC Women in Work Index.

- By 2050, energy generation from four key renewable sources – **solar, onshore wind, offshore wind or hydropower** – will account for almost 84% of total generation, up from just below 50% in 2021 suggests a new report.
- A YouGov survey shows that drivers would be more likely to go **electric** if they could **charge their vehicles at work**.

- Small businesses are being held back from international trade by **excessive customs paperwork, soaring costs and supply chain** issues, according to research by the Federation of Small Businesses (FSB).
- Figures from the Scottish Government show that the value of Scotland's **international goods exports increased by 23.5%** (up £6.8 billion in 2022). In comparison, international goods exports from the UK increased by 19.2%.

- FSB's latest Growth Belt report highlights the way **rural businesses** are struggling against a backdrop of mounting energy costs, poor transport links, and unreliable broadband. 43% of rural small firms planned to grow, compared to 49% in urban areas.
- According to the Economic Value of Boating Tourism in Scotland survey 2022, sailing /boating is estimated to contribute **£84m** in Gross Value Added (GVA) and **3,100 Full Time Equivalent (FTE)** jobs – many in rural and fragile coastal communities.

- The Scottish Government have published a [report](#), Seasonal Migrant Workers in Scottish Agriculture, which outlines the main findings of research into seasonal migrant workers in Scottish agriculture, including: their number and demographics; the experiences of employers and seasonal migrant workers; and the long-term viability of this sector.
- New [research](#) from the Phoenix Group looks at economic inactivity in the UK among the over 50s since the start of the covid-19 pandemic. In [Scotland](#), it found 52% of people who have left the workforce since the pandemic cite early retirement as their main reason for leaving. Sickness and disability are also significant drivers for over 50s leaving the workplace early.
- [Analysis](#) from Close the Gap has shown there has been little progress in narrowing the gender pay gap across Scotland over the past five years since the introduction of gender pay gap reporting for large private and third sector organisations.
- The PWC [Women in Work Index](#) shows progress towards gender equality at work across the OECD has been exceedingly slow over the last 10 years, with a persistent gender pay gap of 14%, down only 2.5 percentage points since 2011. The UK fell five places on the Index: from 9th place in 2020, to 14th place in 2021. This was predominantly due to a widening gender pay gap and a fall in the female labour force participation rate.
- [Research](#) from Hays has found that office workers would be prepared to give up their work from home routine in exchange for a four-day week. 63% of workers would prefer to work a four-day week, spending all their time in the office, compared to 37% who would prefer to work five hybrid days. The research involved 11,800 respondents, including 788 in Scotland.
- A [survey](#) from Willo shows that more than a third of people in Scotland would now quit their job if employers won't let them work from home. 57% of respondents said they were unlikely to consider working from an office again.
- 30% of graduates have too much education for their job, while 34% work in fields that are not related to their degree subject finds new [research](#) from NIESR. The research suggests this phenomenon puts downward pressure on graduates' earnings and indicates a misallocation of resources that can contribute to the UK productivity slowdown.
- A [report](#) from Nesta on green jobs in the UK looks at existing evidence including how green jobs are defined and what barriers there are to expanding them. The review concludes that ability – providing the right skills and training – is probably the most significant barrier to increasing green jobs and recommends focusing work more closely on this area. Awareness, particularly of the career paths and choices involved in moving into green jobs, is also identified as an important area for more work.

- Environmental, Social and Governance (ESG) efforts have slipped down corporate priority lists, according to new [research](#). The sustainability survey, conducted by The Harris Poll, of more than 1,476 top-level executives in 16 countries found that ESG efforts fell from the number one priority for businesses to third in 2023 - with many business leaders claiming they are being pressured by “external parties” to de-prioritise sustainability.
- Almost 84% of all energy generated in Europe will come from either solar, onshore wind, offshore wind or hydropower by 2050, with capacity to boom over the next 10 years, according to new [research](#). The report suggests that solar is expected to overtake onshore wind energy as the primary renewable generation source across European states.
- A [report](#) from JLL has highlighted the growing prominence of green leases and how they are helping deliver cost savings while decarbonising industrial and office spaces. (A green lease is one which, in addition to the standard commercial clauses, also includes commitments from both parties to collaborate on environmental issues eg energy usage and water efficiency to waste reduction).
- Findings gathered as part of the Scottish Tourism [survey](#) (Q1,2023) looked at what actions do Scottish consumers perceive as most likely to reduce their carbon footprint. 64% rated flying as likely to have a large or moderate effect, 60% walking or cycling, 59% said using public transport rather than a car.
- A YouGov [survey](#) found 53% of Scottish drivers said they would be more likely to switch to an Electric Vehicle (EV) if they could charge at work. The survey of more than 4,000 UK adults found that younger non-EV drivers were more likely to switch to EVs if there was charging at work.
- The latest [blog](#) from SPICe gives an overview of Carbon Capture Utilisation and Storage (CCUS), the proposals for the Scottish Cluster and how this links to Scotland’s climate ambitions and the aims of the Just Transition.

- The IoD has published a [policy paper](#) exploring how different types of exporters are navigating the post-Brexit trading environment. The research finds “exporters are feeling constrained by the current trading environment, noting a combination of Brexit related friction, wider macroeconomic pressures and a heightened sense of geopolitical risk has weakened confidence in their exporting initiatives”. Of those who have seen a dip in export levels, Brexit is the primary reason.
- Scotland’s [International Goods Trade](#): Quarter 4 2022 shows that the value of Scotland’s international goods exports increased by 23.5% (up £6.8 billion in 2022). In comparison, international goods exports from the UK increased by 19.2%. When oil and gas are excluded, the value of Scotland’s international goods exports saw an increase of 20.5% (up £4.0 billion), compared to a 13.3% increase for the UK.
- UK in a Changing Europe has launched a quarterly [UK-EU relations tracker](#) to assess relations between the UK and EU. The first edition, which covers January to March 2023, highlights the thawing in relations between the UK and the EU that has taken place during this period in the context of the agreement of the Windsor Framework in late February 2023.

- [Research](#) by the Federation of Small Businesses has found that that 9% of small firms who used to trade internationally have stopped. Of those that have continued to trade internationally 61% identified high shipping costs as the biggest challenge, followed by losses and delays in transit and lack of guidance on customs procedures. Ireland is where UK small exporters trade with the most, followed by Germany and France.
- A [report](#) from The Institute for Export & International Trade (IOE&IT) and EY encourages businesses to embrace greater digitalisation of international trade. It suggests the benefits of greater use of TradeTech for businesses include increased efficiency, more accurate processes, reduced operating and trading costs, supply chain transparency and improved resilience, as well as inclusive and sustainable trade outcomes.
- [Research](#) from the Federation of Small Business (FSB) has shown the US is the top of the list for UK small businesses to trade with outside Europe, with 59% of UK small exporters selling goods to the US, followed by Australia (44%) and Canada (36%).

- The Federation of Small Business (FSB) latest [Growth Belt](#) report highlights the way rural businesses are struggling against a backdrop of mounting energy costs, poor transport links, and unreliable broadband. [Findings](#) include (on average through 2022, quarter-on-quarter) 43% of rural small firms planned to grow, compared to 49% in urban areas, 37% of rural businesses reported more than a 10% increase in their operating costs.
- A recent [survey](#) by the BCC has found factors such as the availability of quality public infrastructure and access to skilled labour are entrenching a rural-urban divide among UK SMEs. 64% SMEs believe they don't have access to sufficient skilled labour in their local area, 27% SMEs expect their turnover to decrease over the next year, while 30% plan to increase investment in technology and R&D
- [Research](#) by Barclays has revealed that 28% of people in the UK have started a new small business or found a way to supplement their income since March 2020. 86% of those who started a new venture are still running their small business, with 34% saying it has become their main source of income.
- The Deloitte Chief Financial Officers (CFO) [survey](#) has shown sentiment among CFOs has improved significantly since the start of the year, with confidence rising sharply in Q1 to above its long-term average. 25% more CFOs were feeling better about the future than worse, compared to 17% more feeling the opposite three months ago.
- A new report, The Economic Value of Boating Tourism in Scotland [Survey 2022](#), finds sailing/boating is estimated to contribute £84m in Gross Value Added (GVA) and 3,100 Full Time Equivalent (FTE) jobs – many in rural and fragile coastal communities.
- The Association of Scottish Visitor Attractions (ASVA) [survey](#) (which took place from 24th February to 7th March 2023) on attractions prospects and intentions for 2023 shows 57% of operators are optimistic about their business prospects for 2023 and 21% are feeling pessimistic. Increased cost pressures, staffing challenges and financial constraints are also highlighted.