

Difference and Prosperity: Creating an Ambitious and Fair Scotland

Trevor Phillip's speech at the Scottish Council for Development and Industry Annual Forum, 14 March 2008

Thank you for that introduction.

It is a great pleasure to be here with you today. I'm grateful to the Scottish Council for Development and Industry for giving me the opportunity to join you in this annual meeting. It's a privilege to represent the Equality and Human Rights Commission in this session.

And I am delighted to be joined this morning by my colleague Morag Alexander, who is our lead Commissioner in Scotland. Morag also chairs our Scotland Committee, whose members guide our work here as well as informing our strategy across England and Wales.

I'd like to start by saying a few words about the Commission – who we are and what we do.

The Equality and Human Rights Commission is now 166 days old. Many of you will be aware that we have wonderful inheritance of achieving social change from our forerunners - the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission. Over the last thirty years, between them they have made some kinds of prejudice utterly unacceptable in our society.

But as great as the changes in individual attitudes have been, it has become clear that many of the causes of inequality have persisted, leaving us with a stubborn gap, for example, in pay between men and women, chronic underachievement of some ethnic groups, including some white children; and the emergence of new kinds of disadvantage associated with age, sexual orientation and faith for example. That is why the Westminster Parliament, supported I should say by the administrations in Wales and Scotland decided that the moment was right to create a new body to help us to tackle some of these structural inequalities that have resisted even the liberalised attitudes of the new century.

The new Commission carries all the mandates and most of the powers of the legacy Commissions. But we have new responsibilities including the promotion of human rights.

We have new powers. And we are one of three publicly funded bodies in UK law with a statutory guarantee of independence from government – the others being the Electoral Commission and the BBC. That guarantee is vital. It ensures that we are able to carry out our mandate to promote equality, human rights and good relations without fear or favour.

I am happy to say that we share that privilege here in Scotland with the newly formed Scottish Commission for Human Rights, which I believe will, very quickly under its first Chair, Alan Miller, become a vital part of Scottish - and indeed British - public life. Morag and I very much look forward to a close and active relationship with Alan and his team.

This forum is of course concentrating this year on the issue of skills. But underlying your theme is the Council's historical concern about economic prosperity and business performance in Scotland in the face of global competition and demographic change.

These are central issues for our new Commission too.

On the face of it many people would say that the Equality and Human Rights Commission HRC's mission may not have much to do with wealth creation. They are wrong. I want to argue this morning that if enterprise and business in Scotland are to thrive - they will only do so because they pay attention to the issues of equality and good relations.

Why? Because modern businesses need a social and economic climate that no company can create by itself. In a knowledge based global economy no enterprise can grow without access to highly capable human talent. The richest new source of that talent lies in the people who could be helping us create wealth but find themselves on the outside looking in.

I mean women whose potential is frustrated by our failure to provide flexible working, and thus costing the UK up to 23bn pounds each year.

I mean the disabled adults who would like to work, but are in fact twice as likely in Scotland to be unwillingly idle. The cost to Scotland, by the way, is estimated at over 900 million pounds each year, and to the UK some 9 billion pounds.

So the relationship fostered by this Council between enterprise and education could not be more vital. And the work of the Commission in helping you to bring this talent to the labour market will, I hope, over time help your partnership achieve its ends.

In practice much of our work is devoted to helping employers, employees, public authorities and everyone who bears responsibility for the lives of others in workplaces, schools and so on, to negotiate the increasingly tricky frictions that prevent the participation of so many in our society and our economy.

Contrary to the sometimes fearsome image of the equality bureaucrats who spend all their time looking under carpets and behind the sofa for

racism, sexism and any other ism we can lay our hands on, we try to think of ourselves more as a friendly family doctor than a nosy copper.

Like any good doctor we occasionally need to dole out some tough advice or even treatment to those who forget that a healthy organisation treats its employees and customers, citizens and users, with care and consideration and above all fairness. But our principal job is to be available with guidance that prevents anyone getting into the situation where they need the tough advice.

Already we are finding that the diversity of our modern, multifaith, multiethnic society, in which women, disabled people lesbian and gay people, old and young expect to be treated with respect and dignity, every day throws up real dilemmas of an astonishing variety.

In just one week, at the Commission – through our Helpline, our staff and Commissioners – we can be asked to offer our views, clarify the law or give guidance on subjects as various as these:

- Should an employee have the right to flexibility to care for an elderly relative? [Consider] the position of nearly 5 million women particularly who thought they had got their children out of the door, to university or to jobs and that they'd have the lives they promised themselves in their twenties, but they now have to care for an elderly, often bereaved, frequently disabled, relative.
- Should a deaf couple with a deaf child be permitted to choose a deaf IVF embryo for their second child - or would that violate the child's human rights?
- Is it an act of unlawful discrimination to ask a potential employee if she is pregnant or plans to become pregnant?
- Is it a human right to wear the Christian cross or the Sikh Kara at work or at school?

- Is a person who is thought by his colleagues to be lesbian or gay, and is teased about it despite their protestation that they are actually heterosexual, a victim of harassment?
- Should a hospital or an education authority prioritise English translations rather than funding English classes for its users?
- Is there a case for a choice of legal jurisdiction in a multi-faith society - thus allowing some people to choose to have their marriages, divorces, child custody cases settled by, for example, Sharia courts?
- and looking forward, should insurance companies be allowed to read your DNA and see whether you have a predisposition to some disabling condition, Hogkinson's for example, and if so should they be permitted to load your premiums for the risk that you might one day develop the condition that you currently don't have - or would this be yet a new dimension of inequality that should be outlawed?

Let me emphasise. None of these is a made-up scenario. They are real dilemmas faced by real managers and leaders in every business in the Western world today - the kind of thing that disrupts the smooth management of a business, reduces creativity of teams - and if we get the answer wrong on this sort of thing, these are issues that can destroy the reputation of even the most stable of companies.

And of course, getting it wrong, being in court, costs you real money.

Over the next two decades, the question of how to be fair in a world of growing individual human difference will confront us with a series of significant and potentially divisive issues - issues as important and debilitating to workplaces as British industrial relations were for the first forty or so years of my life.

I am not suggesting that Britain or anywhere else faces the prospect of strikes by women, or lesbian and gay people or disabled people. But

what I do know is that today's management should learn the lessons of that earlier era and not risk becoming an accomplice in a refusal to face up to these challenges.

Of course, forty years ago the problem was keeping the production lines going. Today the problem is keeping the stream of talent coming.

We are all going to have to work hard to achieve that for our organisations, because for the first time in my lifetime, it appears that there are more jobs chasing skilled people than there are skilled people to fit those jobs. That is why the vacancy count in the UK has not fallen significantly for some years.

And the skills gap explains why it is that despite the fact that there are nearly a million young people not in employment, education and training, employers are going to any lengths to import skilled foreigners.

It also means that young people can be picky, which presents another reason for employers to address their equality performance.

Today's graduates after they've looked at your green credentials are going to be asking you about your policy towards women staff, for example.

Where are they in the company's hierarchy?

If you don't have senior women employees - why not?

And why should a brilliant St Andrews graduate work for you, when she can work for the law firm across the road which does have female senior partners?

Ditto the ethnic minority, disabled or gay graduate.

And by the way, my guess is that soon, the white male graduate will also want to know the answers to these questions too, because he won't want to work in a firm that looks like it belongs in the 19th century -

because why would he tie himself into a place that's clearly going to be uncompetitive in the 21st Century?

The talent problem isn't just about the future. It's also about the here and now.

We should be using all the skills of all the people we already have in the workplace.

Yet all too often we fail to do so.

If women don't feel that you will treat their requests for flexible working fairly, they won't work for you with anything like the effectiveness they will for the employer who does. If Muslims feel that their workplace turns its back on them because they won't drink alcohol you'll sooner or later lose the experience and skill you've so expensively cultivated in them. And if you still can't be bothered to consult your disabled employees on the reasonable adjustments they need to do their work creatively and enthusiastically, don't be surprised or disappointed if they won't offer you the 110% effort you asked for.

So in the fight to recruit, retain and utilise talent we face a serious struggle. And here in Scotland just as in England and Wales there are new factors making this task even harder.

There are three deep trends that we as a society have to confront:

1. the effect of changing demography on the workforce
2. the impact of globalisation and
3. the rise of identity politics.

And I'd like to say a few words about each of these.

And I want to make the case that Scotland, special as it is, could under the right circumstances be a beacon to the rest of the UK, and indeed the world in the way it manages these challenges.

First, demographic change.

Well we know Europe as a whole is ageing.

Despite a recent bump, possibly driven by immigration, Scotland is experiencing the strain more than most nations.

Population ageing is more pronounced here than in the rest of the UK, severely reducing the numbers of people of working age.

While the rest of the UK can expect an increase in population levels over the next 20 or 30 years, Scotland can expect to see its numbers dwindle. Current estimates predict a population drop to below five million by 2036 – that is 200,000 less than the 1976 figure.

To fill this gap, Scotland like every other part of the developed West is looking to immigration. And this is made all the easier by the second long-term trend - globalisation and increased labour migration.

The United Nations tells us that 200 million people or thereabouts live and work outside the country of their birth - that is twice what it was 25 years ago.

This migration is transforming global economics. In 2006, migrants worldwide sent home an estimated \$301 billion in remittances - more than twice the official aid received by developing countries. (Migration Policy Institute, FT) And that's only the official figures. We think that the real figure may be fifty per cent higher.

To take an example, Polish migrants in Europe, according to the Polish national bank, remit some £1.8bn a year - that's some £9m a day, over half of which currently comes from the UK. (FT)

For the foreseeable future, this kind of migration is now a permanent global economic phenomenon. Economically we all benefit. Migration

is making many people in poor countries less poor, and it is filling the labour supply gaps in wealthy nations.

The question is not whether we turn off the tap. It is how we manage the flow to our best advantage.

That is why the UK's new managed migration system based on a points system which allocates places to would-be immigrants based on an applicant's education, language skills and so forth is undoubtedly the right path to take. It is also morally superior to what came before.

In the old days our immigration system judged you purely on where you or your parents came from. That is why it was, frankly a racial system of rationing. Today's system, by contrast, focuses on the capabilities that the migrants can contribute to our social and economic health. Yes, it does discriminate - but mostly by expertise rather than ethnicity.

For the first time since the UK had an immigration policy - we are asking people not where they come from, but what they bring.

This is, in my view an approach that should suit Scotland down to the ground.

This is a country which has, as has been widely acknowledged, suffered a serious brain drain over recent years, and not just to Downing Street, but to North America and the rest of the EU. For a small nation even one with a superior education system and outstanding universities, it can ill afford such a loss.

Well, one answer would be to try to stop Scots going abroad. But there is great tradition of Scots travelling the world taking their skills, their character and their intellect with them. Any attempt to prevent emigration is unlikely to succeed and, frankly, nor would I want it to. This, after all is an internationalist country that gave the world great thinkers like Hume and Maxwell; great sportspeople like Jackie Stewart

and Andy Murray. Not to mention the game of golf and, in my view a very special human quality, a taste for single malt whisky.

So for the time being much of the burden of providing the missing skills that will sustain Scottish prosperity will be down to migrants, who, broadly speaking have been welcomed here. But if Scotland is to attract the engineers, scientists, IT experts and doctors that it needs, it may need to ensure that the system of managed migration supports it rather than hinders it in that task.

I am not in this case talking about the complaint of the curry chefs, though the loss of that characteristically British dish, chicken tikka masala, which was invented by British Asians and is now at least as widely consumed as chips would be a national tragedy.

I am however building on what Westminster has already recognised: that the special circumstances of Scotland may require some variation in the system of immigration to meet Scotland's needs.

Liam Byrne, the Immigration Minister, for example, when he brought forward the new points system specifically protected Scotland's Fresh Talent initiative. This is a clear acknowledgement that if foreign students who hold a Higher National Diploma, and bright international graduates educated in Scotland's universities can be persuaded to stay and lend their talents to this country it will benefit not only Scotland but Wales, Northern Ireland and England too.

This was a positive step. But I believe that we can and should be much bolder.

We can draw on the experience of other countries such as Australia; and the example of Canada, from which I have just returned.

In Canada, the Provincial Nominees Programme is a joint initiative between the federal government and the country's provincial

administrations to tilt their immigration system in such a way that migrants are given an incentive to go where they are most needed.

In Canada's case this is done by giving provincial governments the right to nominate a certain proportion of the country's immigrants for approval. The names they put forward are, in general, immigrants proposed by local employers. Short of the federal government declaring the individual to be a security risk, those nominated under the system are pretty much assured of entry.

A similar system operates in Australia.

Now I set this out not because I think we should automatically copy this scheme - and Scotland of course is nation not a province - but to demonstrate that the principle of directing migration flows to the places that are best for the economy overall is already an accepted and effective one.

And I want to make clear that I am not entering the debate here in Scotland about the devolution settlement. It is not my place to do so, I am not qualified to do so and no-one would welcome it. My proposals are entirely to do with what is possible under the existing settlement.

In essence what I am suggesting is a variation to the UK wide immigration regime that I believe would benefit Scotland's economy, assists its businesses and enhance its diversity, whilst doing no harm to any other part of the United Kingdom.

Is there not a strong case for introducing a tilt in our points system that would offer an incentive to migrants to come to parts of the UK where they are most needed?

And as the government moves year by year to putting greater onus on employers for helping to monitor the system, isn't it right that we should therefore trust employers' judgments about who is most needed where?

This would mean for example, adjusting the points awarded to a prospective migrant so that applicants who could show that they had a job offer from a Scottish employer would get more points, thus making it more likely that they would get a work permit.

Now would this lead to an open door to Scotland? Well no, because only people that were already offered a job would be likely to be admitted.

Would it put migrants in the hands of exploitative employers? No more so than now; and frankly, it is the job of the trades unions to protect them. That is why the Commission supports trade union efforts to recruit migrant workers. In addition such exploitation would amount to a kind of discrimination - and that is why the EHRC itself exists - to prevent that kind of exploitation and discrimination.

Would it mean that migrants would simply use Scotland as a back door to other parts of the UK, and quickly move on? Well maybe, but that is where I believe that Scotland has another, great advantage that could help it hold on to the best and the brightest - its strong civic and cultural identity.

One of the great difficulties of the kind of new migration of which I've been speaking is that unless it is underpinned by a strong drive towards integrated communities, there is always the danger that we get all the economic benefits but pay for them in the social costs of divided communities, racial and ethnic tensions and fragmented national identity.

This concern that has much occupied the headline writers in recent days, responding to Lord Goldsmith's report on citizenship. We have not yet had the chance to study Lord Goldsmith's proposals properly. However, I do agree with his reported thrust that nations undergoing the rapid changes that we are seeing across the Western world do need to pay special attention to the cohesion of their societies; and to sustain a

common purpose across their peoples. And it can be done, even in the most extreme circumstances.

When the city of Atlanta staged the Olympics, it won the Games with a slogan that belied its racially divided background: Atlanta, the City Too Busy to Hate.

Two years ago, when cars were burning across France, the one city that saw no conflict was the one where everyone most expected it -the one with the greatest ethnic diversity and many of the worst social conditions - the city of Marseilles. Well the people of Marseilles said that it was because their city identity was so strong that the Marseillais saw themselves less as black or white Christian or Muslim and more as people of that city; and as such they saw no reason to fight their neighbours.

And four years ago, in Edinburgh I learnt a valuable lesson from some wise Scottish elders. After a group of Asian families had moved on to a previously all-white Edinburgh estate a local voluntary organisation was brought in to try to get the elders to share the local day centre for the elderly. It took some time for the two groups to mix but they eventually did.

When I visited, I sat and asked a group of the women there what had broken the ice, what had brought them together across the lines of race, and let me be frank with you the youngest of them was 60 and the oldest was 101 she said so these are not people who change their habits quickly. What they told me was that they'd got talking about their families. They discovered that they all had something in common that no-one had predicted. I asked what that was. So they said, "Well we got to talking about our sons; and we're all proud of them. But as we talked we realised something else that we shared; we all knew that our sons had married the wrong woman".

So what was the lesson I learnt? That if people are to integrate with each other they need to find something in common, even if it's the daughter in law, that is more important to them than whatever sets them apart.

And if we want to succeed with migration then it must go hand in hand with integration. And here all the evidence is that Scotland has a special advantage.

Three years ago in a study conducted by the then Commission for Racial Equality, focus groups all over the UK were interviewed about their attachment to various kinds of national identity. The most striking finding was this: amongst ethnic minority Britons, there was little enthusiasm for being described as English - a finding that I know will find a sympathetic echo here.

But when asked about being Scottish Asians or Black Welshmen and women they had no hesitation in embracing these identities, as part of what it meant to be British. In a sense, for them, being Scottish or being Welsh was their route to belonging.

It's hard to know exactly why this is. My guess is that there are two reasons. One: Englishness still carries some uncomfortable ethnic connotations - in most black or Asian households, it is really the polite word for white.

And second that both British and English still hold echoes of colonial times for many people. Whereas the identities of Scottishness and Welshness are less associated with ethnicity -you no longer have to be pale-skinned and red-haired to be a Celt - but are more bound up with particular cultures, customs and accents - properties which anyone, wherever they come from can adopt within a single generation.

The point here is that Scotland's identity - and I am not talking politics here, but culture - is open and welcoming to anyone who wants to adopt

it, and that surely must be an extraordinarily strong pull for skilled and capable immigrants.

Finally, though we'll have more to say about Lord Goldsmith's proposals later on, let me just say one word about what our work in Scotland tells us.

First, that identity and citizenship shouldn't be just for immigrants. If a national identity is going to be convincing and command loyalty it is because everyone shares it. It shouldn't just be a hurdle for foreigners to clear.

Second we do need to debate the issues of national identity and we need to do so honestly and openly. However, we won't get to a sense of national identity which is enthusiastically embraced by all if it depends on rituals and symbols which don't grow naturally out of our own history and our own traditions.

For example, I would expect that citizenship ceremonies in Scotland, though they may admit you to British citizenship, should have a strong Scottish flavour.

And third, we should be careful what we borrow from other countries. Personally I think that many of Lord Goldsmith's proposals are very serious and worthwhile. I warm to the idea of celebrating our National Health Service - a truly multiethnic creation by the way - willed into being by a Welshman, constructed by Irish builders, peopled by Caribbean nurses and Indian doctors, many of whom were trained in Scottish medical schools; and in recent years propped up by an injection of Filipino nurses.

But I have a few doubts about a "National Day" - given that most countries' National Days are called that because they celebrate their liberation from an oppressive foreign colonial power - and all too often that foreign power was of course British.

Nonetheless in the war for talents Scotland's special identity is just one of a great set of advantages that it can deploy if it wants to seize the opportunity.

In this modern, global economy few factors will be more significant to any nation than its ability to develop a powerful skills base. In the end we have to grow our own; but refreshing our pool with people from outside will also be part of the answer.

I believe that the United Kingdom can rise to this challenge.

And speaking as passionately as a laid-back Englishman of Caribbean extraction is allowed to speak about anything, let me say this. Scotland - if it wants to - can lead us in meeting that challenge.

Thank you

Trevor Phillips

14 March 2008