

Response to [announcement](#) about the
new Economic Transformation Strategy and
appointment of the Advisory Council

Consultation Timescale, Criteria for Success and Evidence Sources

Timescale and consultation

This Strategy will shape economic policies for a decade and thus needs to be written with input and scrutiny from a wide range of experiences, voices and perspectives. We are thus disappointed at the lack of engagement that seems to be offered. It is simply too short a time frame, over summer, and constrained to written submissions. At the very least, we ask that the deadline for submissions is extended. Even if that means this Strategy takes more than six months to prepare - that was always an arbitrary timeframe and it is too important a document to rush. Put simply, more people need to be involved than a small group of advisors (no matter how expert) and the civil servant team preparing it - this Strategy matters and it therefore needs to benefit from diverse participation.

We are also disappointed that there seem to be few people on the Advisory Group bringing the insights of those for whom the current economy fails to provide security and safety; no one offering expertise on the urgent environmental actions required such as the economics of biodiversity and of climate change; and no one offering the fresh thinking provided by a Wellbeing Economy perspective.

Criteria by which the Economic Transformation Strategy should be judged

If this Strategy is going to be transformational, it must set out how the Scottish Government is going to shift our economy from one that is failing too many in our society and placing unsustainable demands on the environment to one that is centred on providing wellbeing for all, within environmental limits.

It is only at the end of the period to which the Strategy pertains that we can properly judge its effectiveness. It all hangs on the implementation - no amount of rhetoric or vision statements can make up for timid delivery.

That said, there are certain things that will provide reassurance that the Strategy lives up to the title of “transformation” in the direction of a Wellbeing Economy that the Scottish Government declares its commitment to building:-

Remit and objectives

1. The core goal of the Strategy must be to show how to achieve wellbeing for all while living within environmental limits, focusing on delivering fairness, equality, dignity, connection, participation and regenerating nature. The economy should be a *means* to these ends and the policy hierarchy should reflect this. The focus should be principally on the composition and direction of development, not the rate of GDP increase.
2. This means that specific objectives must include meeting climate change targets, reducing use of raw materials, setting and meeting binding biodiversity targets and making our economy more equal (both in terms of economic outcomes, and in terms of race, gender, disability amongst other protected characteristics). It means demonstrating how the economy can care for both people and the planet.
3. Economic transformation is a complex and multifaceted task. This Strategy must show how ***all the fiscal and other levers available to the Government will be used*** to achieve the goals of an economy that meets the needs of people and planet.

Content

4. The Strategy must include policies and actions which can be shown to achieve these outcomes. It must cover the whole of the economy, projecting the investment and timescales needed in each sector. Health and care will be as important in this Strategy as, for example, energy and manufacturing.
5. It will need to assess and combat existing forces that are taking the economy in the wrong direction, towards climate crisis, environmental and biodiversity breakdown and increasing inequalities (vertically and horizontally). Patterns of ownership, business models and the power of rent extraction will have to be considered. It must include plans to empower workers so they can reduce their working time and so share work more equally across society and give people more time for caring responsibilities and other non-labour market activities.
6. Achieving these objectives will require a different relation between the public and the private realms. The government needs to be decisive in setting the direction of development for the economy and in showing how enterprises can and should contribute to that. Government also has a vital role in ensuring free and universal access to foundational services and the infrastructure that the future economy needs.

7. To plan and direct the investment needed, every investment and spending programme must be assessed against a set of clear tests and criteria. This must encompass honest appraisal of the sort of industries and enterprises that are needed in a Wellbeing Economy and action to support those whose livelihoods currently depend on sectors that need to wind down.
8. Different metrics and data (many of which are already assessed via the National Performance Framework) need to take precedence in policy decision-making. Multidimensional wellbeing indicators (including reductions in environmental damage and restoring biodiversity) should be prioritised, rather than GDP growth for its own sake (or as a proxy for other goals with the assumption that GDP growth will automatically bring attainment of the goals themselves).
9. It needs to influence and align with the work and strategies of other social partners - from Local Government to the private sector. This means it needs to go beyond previous strategies: it should embrace the reality that economic transformation is a national mission that will only be achieved with everyone engaged.

Process

10. The process of completing the Strategy must be inclusive, drawing on participation and input from workers and the communities most affected. It cannot be transformational if it does not actively engage those people affected – all of us. It must hear and benefit from the lived experience of those who are in greatest need of a transformational economic strategy. The more inclusive an engagement there is in the development of this Strategy, the more likely it is to be both successful and effective in garnering the efforts of a wide range of actors whose enthusiasm and efforts are needed to transform the economy. Scotland's Citizens' Assembly is a good example that should be emulated.

Evidence and policy ideas that must be taken on board

Here, we offer a selected list of key resources where our organisations or those of our partners have distilled the evidence and crafted policy suggestions. They are essential inputs to your deliberations:

[https://www.gcph.co.uk/assets/0000/5587/Excess mortality - Policy recommendations.pdf](https://www.gcph.co.uk/assets/0000/5587/Excess_mortality_-_Policy_recommendations.pdf)

<https://www.stuc.org.uk/files/Policy/Research-papers/peoples-draft-6.pdf>

<https://commonweal.scot/policies/resilience-economics/>

<https://wbg.org.uk/commission/>

<https://www.sepa.org.uk/media/219427/one-planet-prosperity-our-regulatory-strategy.pdf>

<https://www.gov.uk/government/collections/the-economics-of-biodiversity-the-dasgupta-review>

<https://wbg.org.uk/fgnd/>

<https://goodlife.leeds.ac.uk/doughnut-shaped-recovery/>

<https://www.citizensassembly.scot/main-report>

<https://www.climateassembly.scot/full-report>

<https://www.gov.scot/publications/not-now-social-renewal-advisory-board-report-january-2021/>

<https://zerowastescotland.org.uk/sites/default/files/Decoupling%20Advisory%20Group%20Report.pdf>

<https://www.scotlink.org/wp-content/uploads/2020/05/5-Tests-for-a-Green-Recovery.pdf>

<https://foe.scot/just-and-green-recovery-scotland/>

<https://www.gov.scot/publications/transition-commission-national-mission-fairer-greener-scotland/documents/>

Signed by:

Friends of the Earth Scotland

Scottish Environment LINK Economics Group

Wellbeing Economy Alliance Scotland

Scottish Women's Budget Group

Poverty Alliance

Common Weal

Scotland's International Development Alliance

Scottish Wildlife Trust

Professor Mike Danson