

Ten Points for a Transformative Economic Strategy in Scotland

Criteria by which the National Strategy for Economic Transformation should be judged

If this Strategy is going to live up to its ambitions of being “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.

While it is only at the end of the period to which the Strategy pertains that we can fully judge its effectiveness, steps must be taken now to ensure its implementation aligns with the goals. No amount of rhetoric or vision statements can make up for timid delivery. Starting today, there are certain indicators we’d like to see established if the Strategy is to live up to its title of “transformational”. Most particularly, we seek reassurance that the strategy will move us in the direction of a Wellbeing Economy which the Scottish Government has declared it is committed to build.

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 nature¹. 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 biodiversity targets and making our economy more equal, both in terms of economic outcomes, and in terms of race, gender, and 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, which will take time. This Strategy must show how all the fiscal and other levers available to the Government will be used over the next decade to achieve the goals of an economy that meets the needs of both 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. COVID has taught us that health and care are as important in this Strategy as, for example, energy and manufacturing. The Strategy should reflect these findings.
5. It will need to assess and combat existing pressures that are taking the economy in the wrong direction, towards climate crisis, environmental and biodiversity breakdown and increasing inequalities (vertical and horizontal). Patterns of ownership, business models, rent extraction and the distribution of power within economy and society must be

¹ <https://wecall.org/tag/needs>

considered. The Strategy should 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 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 must wind down to meet agreed climate targets.
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. This takes us back to the process of design and the necessity of a broader, more participatory strategy than offered so far.

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 – in effect, 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 to debate Climate Change is a good example that should be emulated.

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