

Cross-Party Group on Wellbeing Economy

7th of June 2020, 6:30-8:00 pm, on Zoom

Minutes

Present

MSPs

Paul McLennan MSP, Pam Duncan-Glancy MSP, Ariane Burgess MSP, Maurice Golden MSP

Invited guests

Maggie Chapman MSP, Margreet Frieling, Rutger Hoekstra, Denisha Killoh, Lisa Hough-Stewart, Alex Stobart, Angela Lamont, Anna Spiesova, Annabel Pidgeon, Annika Hjelmkog, Audrey Buelo, Bekki Richens, Camille Moran, Caroline Whyte, Claire Duncanson, Dani Trudeau, Daria Agarkova, Deborah Hay, Debs Shipton, Denis Mollison, Doreen Grove, Elma Murray, Esme Berkhout, Gavin Dewar, Gill Davies, Iris Roelofs, Jane Morrison, Janet Miles, Joanne Briggs, John Ennis, Justine Gangneux, Kisane Prutton, Lucy Higgins, Margaret Brown, Matthew Crighton, Michael Weatherhead, Niamh McCabe, Niels Devisscher, Rachel Heydecker, Roger Mullin, Sarah Deas, Simon Poole, Siobhan Jones, Suzanne Crimin, Vicki Assevero

Non-MSP Group Members

Jennifer Wallace (Carnegie UK), Meg Thomas (Includem), Phil Revell (SCCAN), Catherine Robertson (UN House Scotland), Sara Cowan (Scottish Women's Budget Group), Tom Sneddon (DTAS), Fiona McInally (CNPA), Lyn Jardine (Office of Paul McLennan MSP), Ishbel McGeorge (Office of Emma Harper MSP), Lukas Hardt (WEAll Scotland), Frances Rayner (WEAll Scotland), Jimmy Paul (WEAll Scotland), Anna Chrysopoulou (WEAll Scotland)

Apologies

Emma Harper MSP, Michelle Thomson MSP, Francis Stuart (STUC)

Welcome

Welcome from Paul McLennan MSP, convenor of the Cross Party Group on Wellbeing Economy.

Panel discussion on “How to measure economic performance?”

Paul introduces the four speakers, Jennifer Wallace, Margreet Frieling, Rutger Hoekstra and Denisha Killoh.

A summary of the discussions are presented below.

Why are you passionate about how we measure economic performance?

- Because we have to make sure the economy works for everyone and that the voices at the sharp end of the system.
- Because the media attention is often so much greater on economic numbers, than environmental or social indicators. We need to shift the conversation.
- Because we need to have a whole-of-economy framework that measures success holistically, which is built on participation and actually affects change towards more holistic policies.
- Because Wellbeing Economy frameworks can facilitate cross-department collaboration in government.
- Because we have made a lot of progress in Scotland but we are still getting things wrong. We have a common visions for Scotland but it is not translated into transformative action. But measurements are a way of affecting change in a complex system. As demonstrated by mentions in parliament, traditional economic measures are much more powerful than environmental and social measures, even if these are theoretically equal in the framework.

Why are governments still so focused on GDP growth? What are the barriersto change? Are politicians part of the problem?

- A healthy economy should be designed to thrive independent of GDP. But focus on GDP is deeply embedded in government and culture. The challenge is to do long-term thinking in a short-term world.
- Many wellbeing frameworks do not outline how the different dimensions relate to each other
- Part of the reason that GDP became so dominant is because economists converged on one system of National Accounts used by every country. It is very unique that all countries produce the same number four times a year.
- There is a problem that there are so many different Wellbeing Economy frameworks with many different indicators. It can be confusing, even if they are all similar. We need international coordination to produce more standardised measures. The Wellbeing Governments partnership could provide leadership on this, but it is not currently doing so.

What are lessons that Scotland can learn?

- New Zealand built the new indicators the budget and decision-making process. We have struggled with that in Scotland, and much more could be done. We cannot cut and paste from other countries but there are lots of signposts.
- We have to ask the question: How does this translate into impacts on real people's lives?
- Indicators are designed by a small number of people, missing out the diversity of experience. We need to break up power structures and get the people in the room who are often not heard. That is very important for future-proofing our economy.

Reflections by MSPs

- Politicians cannot know everything. The point about representation of diversity is really important.
- It is important that we change the culture of politics away from short-term impact towards true representation of people.
- Similar to climate change and circular economy, we get a lot of warm words but not a lot of actions. How do we get all the actors working together to achieve change.

Audience questions

- People often say that decisions are done to them and they are not involved. They are not represented in this session. How could we include those people that need economic change better in our processes?
- We need a system that goes to people furthest from government first. We need to be properly thoughtful who needs to be in the room at the right time
- Open government work of the Scottish Government is working on how we can involve people. There are lots of different approaches and no one silver bullet, for example citizens juries, participatory budgeting and many others.
- How can we involve the public more?
- How do we get over this point of the complexities of different frameworks and different measurements. It is important that people can participate in a way that is meaningful. How can we cut through some of the complexity?

Panel responses

- It is important to include lived experience. The development of new frameworks should become a process of building new coalitions that become real motors for change. It should be more than a technocratic exercise, but build a vision that resonates with people. An example is the doughnut economy coalition in Amsterdam, which have worked together to define the vision but also work together to deliver it.
- People are ready and willing to engage with questions that matter to them.
- Language and accessibility are important. We cannot just talk like academics. For example, people in Glasgow think the environment is far away. We have to use representative language for those we want to have in the room. And we have to constantly keep checking that the language we use matters to people and that we have ways to get them involved.

- We need a more combined approach of science and deliberation, of bottom-up and top-down together. For example the IPCC report have developed the science expertise and was then has developed into citizen's panels discussing priorities. There are lots of fruitful ways, but also difficulties with deliberative processes, there are always power dynamics. It should not only be citizens involved in constructing wellbeing economy framework. Because there are always trade-offs and scientific processes are important to see what options there are.

Question: How can we include things are not easily measurable?

- We should not fall in the trap to reduce everything into measurable numbers. There are lots of important things that cannot be reduced to a metric, such as justice.
- But also, if things like justice are so important, why do we not challenge ourselves and find ways to include them in our accounting methods.

Panel responses

- Economics is a social science and the economy is something we have socially constructed and that can deconstructed. But it is presented to the world as if it is a real science. We need to challenge that.
- We now have much more and better ways of measuring what is important to people, e.g. how much children feel loved. But the problem is that we can measure them, but we don't value them in policymaking and these measures do not change our behaviour.
- That is related how we deal with uncertainty. Even if we have good measures and indicators, we still have to do decisions without full knowledge. We need to be more creative to find ways to draw on all the knowledge we have, including quantitative and qualitative.
- Every measurement is just an abstraction of something very complex. Economists have done very well to create the illusion that there is one number that can measure the economy/ Wellbeing is very complex and we can only get so close, but it is important to try and get as close as possible.
- The international System of National Accounts will be updated in 2025 and there will be chapters on environment and wellbeing in the new version, because even conventional economists have recognised their importance.

We talk like economy is driven like a government department. But most of the big decisions driving the problems are taking in the private sector. The purpose of business at the moment is to make profits, not to produce wellbeing. Do we have to change what we have to expect from private companies?

- We have to think about the role of social enterprise and look at ways growing the importance of social enterprises.
- Yes, it is important to take businesses on a journey and to find ways how we can make sure they contribute to a Wellbeing Economy. Community Wealth building can important in that regard.
- Businesses are often not good at integrating metrics into decision-making processes, because in the end it is mostly about profits. But now things are

changing on the continent. The CSRD process at EU level harmonises how companies report on CSR measures and produce a standard similar to financial accounting that is also auditable.

What is the role of the third sector in this?

- The third sector has to play a really important role. But it is currently locked into a system that does not allow them to contribute as much as they could. The contribution of the third sector could be valued better.
- The third sector has important role to play. But charities are often set to address a failure, a need that is not being met. That is important, but we should also be working to make ourselves obsolete. We should work towards a world where we do not need to patch up the damage anymore. We have to make sure that we do what we can to leave a legacy and long-term protection.
- Have to get it right for the long-term, and that will also save money.
- Third sector work can make an important contribution because it is close to people.

What are your two key actions/lessons that we should take forward?

Jen Wallace:

- There are opportunities coming up to engage with the review of the national outcomes in the National Performance Framework and the Wellbeing Economy Monitor. We should all engage with those and push for more participation in those processes.
- We should also remember that we have made a lot of progress. That is sometimes easy to forget when thinking about how much further we still need to go. But we have come a long way.

Rutger Hoekstra:

- It would be great for Scotland to develop processes that can link deliberation and scientific processes for developing indicators of economic success.
- But you should also remember that you don't have to go it alone. The Wellbeing Economy Governments partnership could be leveraged more and there are lots of experiences to learn from around the world. This is a global process where we can teach and learn from each other.

Margreet:

- It is important to go beyond just measuring metrics and to find ways to integrate them into actual decisionmaking.
- There are so many inspiring initiatives happening around the world, different pockets figuring out different parts of the puzzle. WEAll work to link up these initiatives is very important. The Wales Wellbeing of Future Generations Act is good example, because we might need more than just WE framework to ensure long-term thinking.

Denisha:

- We should always give those that are most marginalised a seat at the table and if the table does not work for them, throw it out the window and sit on the floor. We have to make sure that we go to people and build the system around them.
- We need to work more in hindsight. We have to make sure we future-proof our policies and constantly re-evaluate to make them better and better. There is no one solution and end point, we have to keep growing and learning.

Reflections by keynote listeners

Pam Duncan-Glancy MSP:

- The points about participation and the interconnected nature of the issues and the role of the economy are important. We too often forget that the economy is a social construct.
- As a CPG we should look at different mechanisms of deliberation and how we can integrate into our work.

Maurice Golden MSP:

- Denisha's point about not talking academic language is important. We need to speak in a language that people understand. We need to find the balance between actions devised by the community and by civil servants. We need to communicate how the Wellbeing Economy would make a difference to people's lives better.
- The point about the lack of mention of carbon footprint in parliament was well made. There is an issue that these things are not discussed enough in parliament. We need more debates about the Wellbeing Economy, what it means and what parties think about it.
- I was taught that "GDP is god". It is heartening to note that we are moving beyond that and that there are more considerations about social enterprises.
- Short-term funding cycles of only one year are a big issues. How can we move to a Circular Economy with projects only funded for one year? That needs to be changed.
- We have to make better use of existing spending and use public procurement to build a Wellbeing Economy and Circular Economy. We need to make sure that procurement officers are trained to take these issues into account.

Ariane Burgess MSP:

- I hear lots of consultation fatigue. I think people are not engaged early enough to feel that they own it decisions and have proper influence.
- We have to involved lived experience of those living in the places affected by decisions, but we also need to find a balance at looking how things are happening in other places.
- We should work to find ways to measure qualitative aspects and include them in decision-making.
- We need to understand that the economy is a human construct and that we can change it. The work on the Wellbeing Economy and other approaches is important because it is about questioning what current economy is.

Maggie Chapman MSP:

- The point about obsolescence in the third sector is well made, but there is also a role for the third sector to do things where state services are not appropriate.
- One of the big issues is the ability to deal with risk and political risk. We have to change the approach of solving problems in a siloed way. We have to join things up and see where things align, to tackle the big challenges of our time. For example, cannot solve a challenge like COVID within individual departments.
- We need to future-proof policy processes, because we won't always get it right. We need to break down sectoral barriers. But it is very difficult for politicians to stand up and say that they would do that, that is why risk is important.
- We have lost the expertise what planning means and how we can future-proof our plans.
- If we want to transform our economy we need to understand risk, planning and an un-siloed approach to policy development.

Close

Closing reflections from Paul McLennan MSP:

- Connectivity in policy making is very important, it can't be done in siloes.
- We want to make sure that we look back in 4 years' time and have made progress.
- Many thanks to our speakers and keynote listeners and audience for such an interesting discussion.

Looking forward: Joint CPG meeting on the topic of Community Wealth Building on the 22nd of June:

<https://members.socialenterprise.scot/events/626ff648d6f5590007b7a86b/description>

Appendix

Links posted in the chat:

Rutger's latest briefing paper – "This is the moment to go beyond GDP" <https://weall.org/this-is-the-moment-to-go-beyond-gdp>

Rutger's book Replacing GDP by 2030: <http://www.rutgerhoekstra.com/replacing-gdp-by-2030/>

Recent publication "resetting the course for population health" - rec 13 (page 7)

https://www.gcph.co.uk/assets/0000/8723/Stalled_Mortality_report_FINAL_WEB.pdf

WEAll Scotland's Director, Jimmy Paul, recently wrote an opinion piece on the role of third sector in building a Wellbeing Economy <https://scvo.scot/p/48147/2022/01/10/the-role-of-the-third-sector-in-a-wellbeing-economy>

Resources on the role of private business:

WEAll Scotland report about role of business in a wellbeing economy: <https://weall.org/wellbeing-economy-business-report>

<https://socialvalueuk.org/how-do-companies-act-accounting-to-save-the-planet-and-people/>

<https://www.wbcd.org/>

Lots of business leaders are coalescing around this agenda.

<https://www.scotsman.com/news/opinion/columnists/raised-on-margaret-thatchers-ideology-i-dedicated-myself-to-the-pursuit-of-profit-ive-now-realised-the-well-being-economy-offers-a-better-way-to-do-business-simon-farrell-3685816>

<https://www.unglobalcompact.org/>