ECONOMY, ENERGY AND FAIR WORK COMMITTEE

SCOTTISH NATIONAL INVESTMENT BANK

SUBMISSION FROM Wellbeing Economy Alliance Scotland

Wellbeing Economy Alliance (WEAll) Scotland is part of global collaboration of organisations, alliances, movements and individuals working together to create a wellbeing economy; one that delivers human and ecological wellbeing.

Our aim is to support Scotland to be a key player in the global movement for a wellbeing economy. Across Scotland, the purpose of the economy and the dominant model of growth is being reconsidered, with pioneering projects springing up within different sectors. WEAll Scotland will connect these initiatives, amplify narratives and create a safe space for government, businesses and society to question the current economic model and champion bold new policies.

We very much welcome the opportunity that the Scottish National Investment Bank offers in supporting Scotland transition to a wellbeing economy, and welcome the opportunity to respond to this consultation.

1. **What are the advantages or otherwise in establishing the Bank as a public limited company?**

2. **What in your view are the fundamental characteristics of a national investment bank?**

The fundamental role of any national investment bank should be to finance and direct investment towards the socio-economic priorities of government. As such, the Wellbeing Economy Alliance (WEAll) Scotland views the establishment of the Scottish National Investment Bank as a welcome and exciting opportunity to help deliver a wellbeing economy i.e. an economy that puts the wellbeing of our communities and environment above profit and growth.

3. **Is the level of capitalisation proposed sufficient for the Bank to deliver its desired impact? Please expand.**

4. **What is your view on the proposed costs in the set up and day-to-day running of the Bank?**

5. **What governance arrangements ought to be in place?**

It is imperative that the governance arrangements of the bank involve a wide range of stakeholders who reflect Scotland's population as a whole. WEAll Scotland welcomes the fact that the board will be established in line with the Gender Representation on Public Boards Act 2018 which will ensure that 50% of its non-
executive members are women. However, we would like to see governance arrangements go further to ensure the views and needs of representatives from across Scotland, particularly those communities who are not well-served by our current economic model, are reflected in the decisions of the Bank.

It is difficult to see from the draft legislation how the commitments that the Bank will be transparent are to be implemented. WEAll Scotland would like to see the establishment of mechanisms and processes that allow individuals to influence the Bank’s decisions and to hold it to account.

6. **How can we ensure the market is ready for the investment opportunities the Bank can offer?**

7. **What ethical and equalities considerations do you think should inform the Bank’s ethos and decision making?**

Wellbeing Economy Alliance (WEAll) Scotland would like to see a firm intention within the bill that any investment from the Bank will be made on an ethical basis, and that any code of ethics developed will go beyond regulatory requirements, set out minimum ethical standards and exclusions, and adopt best practice.

The Bank’s ethical criteria must rule out lending or investing in fossil fuel projects and employers with poor employment practices.

We support the Bank taking into account social and environmental returns alongside economic returns when making investment decisions, and the idea of a scorecard that balances these aspects.

We would suggest that any score-carding process allocates positive points to enterprises that place the wellbeing of people and planet above profit and growth, for example enterprises that:

- Contribute to low carbon economy;
- Promote energy efficiency and waste reduction;
- Have exemplary employment practices;
- Deploy ethical procurement practices;
- Demonstrate pro-social business models and support wealth distribution, such as employee ownership, social enterprises and cooperatives.

8. **It is proposed that the Scottish Government will set the strategic direction of the Bank but the body itself decide on its investment approach. What is your view on this “mission-led” approach?**

Wellbeing Economy Alliance (WEAll) Scotland agrees that the Scottish Government should set the strategic direction of the Bank by the setting of Missions. In our view, the overall mission of the Bank should be to underwrite Scotland's transition to a wellbeing economy. As such, we very much welcome the fact that the Bank will take into account social and environmental returns alongside economic returns when
making investment decisions and that the Bank will have socioeconomic and environmental performance measures related to the National Performance Framework.

We note the stated objective in the Bill of 'investing in inclusive and sustainable economic growth'; the term 'inclusive and sustainable economic growth' has very different interpretations and it is important that there is a clear understanding of what the legalisation intends.

WEAll believes that 'economic growth' in itself is neither good nor bad, but rather it is the outcome of economic activities that should be valued or not i.e. will they make our communities and environment thrive, will they help mitigate our greenhouse gas emissions, and will they lead to improvements in the wellbeing of our current communities and those of the next generation?

The Scottish National Investment Bank provides a unique opportunity to finance projects that could bring about transformational change across a number of socio-economic challenges. We would not want to see this opportunity squandered by a narrow focus on economic returns or an assumption that 'economic growth' as defined by a rise in GDP will in itself address some of the major challenges facing our society.

9. Is there any other aspect of the Bill you wish to address? Please elaborate.