

Minister for Employment and Investment  
Ministear airson Chosnaidhean agus Tasgadh Airgid  
Tom Arthur MSP/BPA



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

T: 0300 244 4000  
E: [scottish.ministers@gov.scot](mailto:scottish.ministers@gov.scot)

Economy and Fair Work Committee  
[economyandfairwork.committee@parliament.scot](mailto:economyandfairwork.committee@parliament.scot)

13 December 2024

Dear Colin,

### **Developing Scotland's Economy: Increasing the Role of Inclusive and Democratic Business Models**

Following my comments in Parliament on December 11, in answer to a question from Lorna Slater MSP, I write to confirm how the Scottish Government intends to consider implementation of the recommendations contained in this independent report. I have copied this letter to Neil McInroy, chair of the review group who produced the report, and all members of the review group. I will write separately to other MSP colleagues who have noted their interest in the report.

The report presents important proposals that have the potential to increase the number and impact of employee-owned firms, co-operative businesses, and social enterprises.

Having considered all 17 of the recommendations in the report, I have asked my officials to prioritise creation of the 'Economic Democracy Group' suggested by the review. I would envisage the first meeting being held early in the new year. Arrangements for the group will be communicated to partners in the near future.

Formation of this group aside, the Scottish Government sees the merit of, and rationale for, all of the other recommendations set out, in-principle. I see the role of the new group as conducting a very practical implementation dialogue. I would like group members to examine how the various recommendations can be delivered. Some of the actions suggested would likely fall under matters reserved to the UK Government. As such, liaison with UK Government colleagues will be required.

At the heart of the new group's remit will be providing pragmatic advice to the Scottish Government on the best approach to phased implementation of the recommendations. I think that the group's initial focus should be on those items with the greatest potential to deliver tangible benefits in the form of new fair work opportunities and business formation and growth.

The development of the forms of business focused on by the report is a key pillar of the Community Wealth Building approach to economic development. As set out in the Programme for Government 2024-25, The Scottish Government will introduce primary legislation during this Parliamentary year to advance implementation of the Community Wealth Building model of economic development across Scotland.

I look forward to engaging with the Committee on this legislation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Arthur', written in a cursive style.

**TOM ARTHUR**

**Copied to:**

Neil McInroy	Review Chair, Global Lead for Community Wealth Building at the Democracy Collaborative and Chair of Economic Development Association of Scotland
Alastair Davis	Chief Executive Officer, Social Investment Scotland
Chris Martin	Chief Executive, Social Enterprise Scotland
Duncan Thorp	Policy and Communications Manager, Social Enterprise Scotland
Darah Zahran	Team Leader - Inclusive Models and Co-operative Development Scotland
Isabella Miller	Co-Chair of Scotland for Employee Ownership
James de le Vingne	Chief Executive, Employee Ownership Association (EOA).
James Wright	Policy Development Lead, Co-operatives UK
John Housego	Managing Director of Aquascot and representative for Scotland for Employee Ownership
Kate Musgrave	Head of Enterprising Communities, South of Scotland Enterprise
Margaret McSporrán	Head of Social Enterprise Development/ Resilience Manager, Communities and Place Directorate, Highlands and Islands Enterprise
Martin Avila	Chief Executive, Community Enterprise in Scotland
Professor Michael Roy	Professor of Social Innovation and Sustainable Organisations, University of Stirling
Pauline Smith	Chief Executive, Development Trust Association Scotland (DTAS)
Sam Blakeborough	Policy and Partnerships Officer, Employee Ownership Association
Sarah Deas	Visiting Professor, Hunter Centre for Entrepreneurship, University of Strathclyde and Co-founder, Wellbeing Economy Alliance (Scotland)
Tom Lloyd-Goodwin	Director of Policy and Practice, Centre for Local Economic Strategies (CLES)