

Cross-Party Group on the Circular Economy

6th of December 2024, 11:00-12:30 pm, on Zoom

Joint Meeting with the CPG on Social Enterprise and CPG on the Wellbeing Economy

Minute

Present

MSPs

Emma Harper MSP, Maggie Chapman MSP, Maurice Golden MSP, Michelle Thomson MSP, Lorna Slater MSP

Invited guests

Alan Cameron, Alex Jarrett, Alison McGrory, Andy Paterson, Anne Marte Bergseng, Anthony Burns, Chris Holden, Claire Duncanson, Claire Miller, Claudia Albrecht, David Stewart, Emma Sedgewick, Frances Guy, Hannah Brown, Jamie Barker, Jaye Martin, Jim Brown, Julie Flynn, Julie MacDonald, Liz Cooper, Louise Hastie, Lucinda Broadbent, Lucy Wishart, Margaret Douglas, Marion Davis, Matt Lewis, Mia Duncan, Michael Cook, Michael Cusack, Neil McInroy, Neville Makan, Paul Morris, Peter McCafferty, Rachel Le Noan, Rob Davidson, Robert McMaster, Samantha Moir, Sarah Bronsdon, Sarah Deas, Stephen Kelly, Steven Hunter, Susan Evans, Suzanne Forup, Toni Freitas, Tracy Jackson, Victoria Darbyshire

Non-MSP Group Members

Aileen McLeod (WEAll Scotland), Alexandra Turner (WEAll Scotland), Brian Connolly (WEAll Scotland), Carmen Martinez (Scottish Women's Budget Group), Elizabeth Docherty (Scottish Community Alliance), Gerard McCartney, Gillian Achurch (WEAll Scotland), Jill Keegan (Scottish Community Alliance), Jim Millar (Scottish Land & Estates), John Todd (WEAll Scotland), Lukas Bunse (WEAll Scotland), Martin Meteyard (Co-operate Scotland), Nathanael Smith (Office of Sarah Boyack MSP), Neil McInroy (EDAS), Paul Hainey (WEAll Scotland), Paul Smith (Office of Maurice Golden MSP), Renata Osowska, Susan Pinkney (Carnegie UK), Tom Sneddon (DTAS)

Apologies

Susan McKellar, George Hosking, Rachel Searle

1 Welcome

Welcome from Maggie Chapman MSP, co-convener of the CPG on Wellbeing Economy:

- Maggie thanked the CPGs on Circular Economy and Social Enterprise for hosting this as a joint meeting
- Maggie informed attendees that the meeting will be recorded.

2 Panel: Building a democratic Wellbeing Economy in Scotland

2.1 What is economic democracy? Why is it important for a Wellbeing Economy? – Robert McMaster, Professor of Political Economy in the Adam Smith Business School (University of Glasgow)

Robert McMaster joined the University of Glasgow in 2007 as Senior Lecturer following sixteen years in the Department of Economics at the University of Aberdeen. Robert is also an Honorary Professor at the University of Sydney and has held visiting positions at several institutions abroad. From 2005-2018, he co-edited the journal "Review of Social Economy". He has also co-authored the books "Health Care Economics" and "Social Economics: Critical Concepts in Economics" and has published numerous journal articles.

Robert introduced himself and his colleagues, who have worked together on an index of economic democracy. He defined economic democracy as the rights and abilities to participate in economic decision-making processes, highlighting the importance of education, and outlined four key dimensions of economic democracy:

1. workplace and individual rights,
2. associational democracy,
3. the distribution of economic decision-making powers, and
4. transparency and democratic engagement.

Robert explained that economic democracy supports a wellbeing economy by reducing inequality and fostering civic engagement. He shared preliminary evidence showing a link between higher levels of income inequality and lower levels of economic democracy across OECD member states. He concluded by emphasizing that greater levels of economic democracy are vital for individuals to lead meaningful and flourishing lives.

2.2 What can the Scottish Government do to help support inclusive and democratic businesses in Scotland? What else is required to strengthen economic democracy? – Neil McInroy, Global Lead for Community Wealth Building at The Democracy Collaborative

Neil is the Global Lead for Community Wealth Building at The Democracy Collaborative. Based in the USA, The Democracy Collaborative is a leading think, do and change tank, working to grow the democratic economy. He is also Chairs of Economic Development Association Scotland (EDAS) - the go to body for all individuals and organisations with an interest in Scotland's economic development. He also recently chaired a review into Inclusive and Democratic Business Models in Scotland.

Neil highlighted the urgent need to rethink wealth distribution, advocating for pre-distribution—modifying wealth patterns before allocation. He called for a transition from traditional redistribution to embedding economic democracy throughout wealth creation, ensuring resources benefit communities, workers, and the planet. Central to this vision is the expansion of inclusive and democratic business models like social enterprises, employee-owned businesses, cooperatives, and development trusts. He noted their strengths in tackling societal challenges as they allow wealth to stay within communities, addressing poverty's root causes, and they drive sustainable solutions to economic, social, and environmental crises.

Neil referenced a recent [independent review under the National Strategy on Economic Transformation \(NSET\)](#), which advocates for tripling inclusive and democratic business models by 2034, prioritizing funding for local enterprises over external investment, and strengthening policy, legislation, training, and cultural recognition of these models, especially through the upcoming Community Wealth Building Bill.

He warned against the financialization of renewable energy, urging community, municipal, and state ownership to prevent wealth extraction. He also proposed a "right-to-buy" model for employees in cases of business closures or ownership transitions, further embedding democratic principles in the economy.

In summary, Neil emphasised Scotland's crucial moment of transformation from a fossil-fueled, financialised economy to a just, green, and democratic system. The success of this transition relies on embedding economic democracy in Scotland's economic strategy, with community wealth building at the core of achieving this vision.

2.3 What can the Life in the UK report tell us about current attitudes towards democracy and how they are linked to the economy? – Susan Pinkney, head of research and insight at Carnegie UK.

Susan is responsible for managing Carnegie UK's research function and research outputs and is new to the role having recently returned to Scotland after 14 years in London. Carnegie UK is an independent foundation with a mission to create a society where everyone can thrive. Susan has worked in social and market research for over 25 years in research agencies, predominantly working for the UK and Scottish Governments evaluating behaviour change campaigns and was more recently the head of research at both the Charities Aid Foundation and the UK's Publishers Association.

Susan presented findings from the [Life in the UK survey](#), which measures collective wellbeing across the UK as a whole, as well as for Scotland, England, Wales and Northern Ireland. She noted that Scotland's overall wellbeing score is 62 out of 100, but democratic wellbeing scored significantly lower at just 39. She explained that people on lower incomes, disabled individuals, and younger people reported lower overall wellbeing scores, including in the area of democratic wellbeing.

Susan highlighted the survey's disappointing findings on democratic wellbeing and trust in politics. She stressed the importance of addressing these challenges, calling on policymakers to prioritise efforts to improve trust, democratic engagement, and overall collective wellbeing.

2.4 What can we learn from cooperatives about putting economic democracy into practice? – Lucinda Broadbent, worker/member and co-founder of media co-op

Lucinda Broadbent is a worker/member and co-founder of media co-op, a workers co-operative based in Glasgow. 2024 is media co-op's 20th birthday and in November 2024 media co-op won Scotland's first ever Impact Award for Inclusive and Democratic Businesses.

Lucinda shared her personal journey of discovering economic democracy through founding media co-op and explained how the company is entirely owned and controlled by its workers, with no outside shareholders. This democratic model empowers workers, fostering motivation, a sense of value, and community benefits.

Lucinda highlighted the significant role of cooperatives in the UK economy, noting their £40 billion annual contribution and their resilience—72% of cooperatives survive their first five years compared to 43% of conventional businesses. She also shared that cooperatives account for 30% of Scotland's agricultural output.

Lucina reflected on the historical roots of cooperatives, the Seven Principles of Cooperation, and the diversity of cooperative models, such as worker co-ops, housing co-ops, retail co-ops, and credit unions. She showcased the movement's scope with global examples from the Basque Country and Italy.

In summary, Lucinda emphasised the importance of legislation and a supportive policy environment, noting challenges for Scottish cooperatives over recent decades but also the positive outlook now with government ambitions to expand democratic businesses. She called for action to create policies that enable cooperatives to thrive. Lucinda concluded with a [powerful 2-minute video featuring testimonials from various Scottish worker cooperatives](#) whose stories highlighted the importance of ownership, the business case for democratic workers' control and the positive impacts on communities.

2.5 What can inclusive and democratic business models bring to the development of a circular economy? – Michael Cook, CEO at Circular Communities Scotland

Michael is CEO at Circular Communities Scotland, a network membership organisation, dedicated to supporting the establishment of a thriving circular economy in Scotland.

Michael shared insights from his background in consulting, finance, and the charitable sector. He echoed earlier speakers, emphasizing the importance of viewing people as a means to develop and grow, not just as resources to get tasks done.

Michael highlighted the circular economy as a model for maximizing the use of resources and people. He gave examples such as tool libraries and reuse shops to illustrate its benefits and stressed the potential for social and environmental gains through inclusive business models.

He discussed the job creation potential of the circular economy, noting that repair and reuse generate more jobs compared to landfill or incineration. Beyond jobs, Michael emphasised the community resilience and affordability benefits of reuse, showing how these practices can address social and environmental challenges.

Michael called for businesses to integrate inclusive and democratic models at their core, aligning their practices with the needs of people and the planet. He concluded by sharing a link [to Circular Community Scotland's impact report](#), which includes case studies and statistics on the social and environmental benefits of the circular economy.

3 Audience questions

Question 1: How can we bridge the gap between institutional processes and wellbeing economy objectives in the context of the decline in trust in government, both globally and in Scotland?

(asked by Alex Turner)

Panel answers:

- Bob highlighted the importance of economic democracy beginning in schools, referencing Denmark's educational system.
- Neil emphasised the need for inclusive, democratic business models to scale and amplify good practices and highlighted the strategic moves in Scotland, such as the wellbeing economy and National Strategy for Economic Transformation. He stresses the importance of doubling down on inclusive, democratic business models in sectors like energy renewables and the role of government in creating enabling conditions.
- Susan referred to the Life in the UK survey and its insights into rebuilding trust, noting the widespread lack of trust across institutions, not just in MPs or local authorities. She noted the erosion of trust across institutions and suggested incremental changes to rebuild it and engage the population more in deliberative processes.
- Lucinda advocated for supporting housing and agricultural cooperatives, and underlined the need for tactical changes to support cooperatives and rebuild trust.
- Michael suggests making decision-making closer to home to build trust. Michael emphasised the importance of relating climate change issues to local environments to build engagement. Michael shares an example from North Ayrshire about a successful local campaign to encourage recycling.

Question 2: How can we move this conversation from people like us into communities?

(asked by Alison McGrory)

Question 3: How can we move the conversation into private business space where the drive and focus is GDP, economic growth and productivity?

(asked by Josie Saunders)

Panel answers:

- Neil highlighted the importance of proximity and relational economics in moving away from a transactional economy to building trust and engagement. He referred again to the potential of the energy renewables sector to develop a distributed, relational economy.
- Lucinda emphasised that private businesses are not as far away as they seem, and there are opportunities for businesses to convert to democratic models and for start-ups to start as co-operatives.

Question 4: What is the role of engaging community education and community development?

(aggregate question from Zoom chat)

Panel answers:

- Neil reflected that we've prioritised economic development over community development, but we need to do more to create a healthy, active civic society where citizens and communities sector view themselves as part of the conversation on economic democracy. He urged that it is time to disrupt traditionality and centre economic democracy in such a transition.
- Bob invites us to reframe our definition of the economy and even what wealth means discussing the way that Adam Smith refers the economy and wealth in the "Wealth of Nations". We need to centre social provisioning, and what citizens need and want, to move away from a transactional economy to a relational economy.

Question 5: How do we see the evolving robotic relationship between workers and AI automation shaping economic democracy and what impact will this have on both the prosperity of industries and the well-being of workers?

(asked by Michael Cusack)

Panel answers:

- Bob emphasised the need for inclusive decision-making about AI and its introduction and suggests involving a diverse range of voices in shaping the use of AI.
- Michael flagged the potential of AI to enhance job satisfaction and development if used correctly. Michael shared examples of AI being used to improve language skills and job effectiveness in Austria in reuse organizations using AI to enable refugees to create online listings. AI therefore has the capability to scale and support inclusive and democratic business models but it must be carefully managed.

Question 6: An innovative way of bringing nature into business is by putting nature on the board of directors. Is there also a way of giving nature a voice in a democratic economy??

(asked by Paul Hainey)

Panel answers:

- Michael recognised that while people want to make the right decisions, they often feel overwhelmed and confused by unclear messaging and options. Transparency, clear labelling, and tools like France's repairability index can help consumers make more informed and environmentally friendly choices. He emphasised the need for a conversation that focuses on positive changes rather than just what to stop doing, suggesting a motto of "waste less, live more" to encourage better consumption. Michael also suggested incorporating nature into the democratic economy and giving it a voice, emphasizing the importance of including the environment in business decisions.
- Susan shared an initiative from her previous career in publishing, where the Publishing Declares pledge was created to ensure sustainability responsibility at the board level, making it accountable. Susan also highlighted the environmental benefits of physical books over e-books, countering the common belief that digital is more sustainable.

4 Closing remarks: Requests to Scottish Government and next steps

- Michael called for long-term, multi-year funding deals for organizations prioritizing people and planet, and highlighted the need for public funding to support these efforts.

- Lucinda stressed the importance of actual ownership in inclusive and democratic businesses and that there are alternatives to private businesses which demand tax breaks.
- Susan called for the delivery of a wellbeing and sustainable development bill, using the national performance framework to drive change and engage the public in new methods of democracy.
- Neil stressed the importance of economic democracy and called for a national conversation about economic destiny, involving all major institutions in Scotland.
- Bob reiterated the need to question the purpose of the economy and to accommodate people's needs while ensuring a flourishing life for everyone.

Action items

- Circulate the resources and information shared during the meeting to the membership of the three cross-party groups.
- Follow up with Tom Arthur, the government minister overseeing the community wealth building legislation, to share the key asks from the speakers and seek a response.

The next CPG on Wellbeing Economy meeting will be held on Friday, the 4th March 2025, as an online meeting.

Maurice Golden shared that the next meeting of the CPG on Circular Economy is scheduled for 6.00 PM on February 5th 2025 and will focus on chemicals.

Appendix: Links mentioned or posted in the chat

Developing Scotland's Economy: Increasing The Role Of Inclusive And Democratic Business Models [Independent report commissioned by the Scottish Government](#)

Life in the UK 2024 Scotland [Carnegie UK Report](#)

Sarah Boyack's Question on Carnegie 'Life in the UK' Report, 13 November 2024 [Scottish Parliament Questions](#)

Worker Co-ops Work: Scotland Gathering 2022, [Media Co-op video](#)

The Difference We Make; 2024 & Beyond, [Circular Communities Scotland Impact Report 2024](#)

Inner Development Goals [Organisation](#)

Social Murder? Austerity and Life Expectancy in the UK [Book](#)

What we know about the third sector's contribution to Scotland's economy, SPICe Spotlight, [Scottish Parliament article](#)

Automating Inequality: How High-Tech Tools Profile, Police and Punish the Poor by Virginia Eubanks [Book Review](#)

Social enterprise - Driving a Wellbeing Economy for Scotland: action plan 2024-2026 [Scottish Government Strategy Plan](#)

AI has an environmental problem. Here's what the world can do about that. [UNEP Story](#)

Tiny data centre used to heat public swimming pool [BBC News article](#)