

Green Recovery Dialogues

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See the video at <https://youtu.be/FCgUp7FpYJw>

I just want to share a couple of thoughts about the idea of a caring economy and why this conversation is so extraordinarily important as we dare to hope about what an economy post-COVID might look like. And I think part of the urgent aspect of that conversation is recognising just how uncaring the economic system we had going into COVID was. We had an economic system that didn't really care enough about the environment. It was all too easy for businesses to dismiss their environmental impact as an externality. It was all too easy for governments in the Global North to proclaim that they were achieving green growth by offshoring some of their environmental impact to countries around the world. And it was all too easy for the economy to not care about the rising levels of food bank use, or the rising levels of inward poverty, the rising levels of people feeling hopeless and distressed, and not having a sense of purpose or dignity at work. And all of those issues add up to an economic system that's profoundly mis-aligned with what people and planet need. And I think part of the root cause of that is that, to date, so many people - particularly those people in positions of decision-making power - had confused means and ends. I mean a pretty basic misunderstanding you would think but yet we still hear today people talking about growing the economy as if it's a goal in and of itself. We see people really saying we need to recover the economy and they measure that by faster GDP growth. But what we need to do is understand that the economy and economic growth is not an objective in and of itself. The economy should be designed in a way to meet higher order goals which I'd describe as a wellbeing economy and that, simply understood, is about social justice on a healthy planet; that is a caring economy. A caring economy: one that cares about what it needs to deliver and is designed appropriately. Now they're nice words to say. It's of course extraordinarily difficult to embark on the layers and plethora of changes that are required to transform our economic system into one that cares much more directly and profoundly about the planet and the people that reside here. But there are really good examples around the world that give us a sense of what a different economic system, a wellbeing economy, a caring economy might look like. And even in Scotland there are lots of really good measures that we can point to that, say, are starting to move in the right direction. And so I would say though that the key part of embarking on this journey of creating an economic system is a mindset shift conversation. It's not necessarily practical at the first instance; this is about understanding what the economic system needs to deliver and asking much harder questions of it accordingly and really thinking about how do we purpose our economic system so it's not about faster GDP growth, with all the damage to people and planet that that agenda has shown us over the last few decades. The purpose of the economic system should be about human and ecological wellbeing. And, in terms of delivering that, making that practical, well, the key question is 'what's the role of business in this?' And I think we've seen during the last few months of the COVID crisis the good, the bad and the ugly in terms of business practices and you'll probably all know who I mean when I'm talking about the ugly. But we've seen lots of businesses really turning their attention to putting aside short-term profit orientation and being part of the collective effort. And one of my favourite examples is of whisky distilleries turning their production to create hand sanitizer gel that they've been distributing at cost. There are plenty of other examples: I think supermarkets at the early stages of COVID were really brilliant in terms of shifting their business models to enable vulnerable consumers to shop there, to prioritise key workers. They announced

they were paying their suppliers on time and, again, putting aside some of what may have been short-term profit orientation, to say 'how can we utilise our business practice for the greater good?' And alongside that we see what's been described as the emerging fourth sector. These is a whole wide range of different business models where they're designing the very purpose of business - the very DNA of business - to be about a social and environmental purpose. Whether it's benefit corporations, or social enterprises, or worker cooperatives, or community interest companies, or economy for the common good companies, there is a whole suite of different business models that are not just about fast and faster profit, they're about saying 'yes, let's be commercially viable, yes let's make some profit, but we're doing this with a purpose of - not extracting it up to remote shareholders - but investing it in the sort of activities that people and planet need.' I think we're also seeing really good examples of governments around the world really grappling with how to put wellbeing at the heart of economic policymaking. Partly that is incentivising the sort of businesses I was just describing. It's also about utilising procurement activities, planning activities, infrastructure, so that they align the design of cities and the sort of economic activity that happens, with what we need for people and planet. And we're also seeing perhaps really tentative steps to look at government budgets and how can they be aligned with what people and planet really need. And, in terms of the caring economy, government budgets have been described as moral documents with numbers attached and if we take that rather beautiful phrase seriously I think it means it's time for places like Scotland and the UK to really have a good hard look at the budget in terms of how do we spend. Are we content just to pat ourselves on the back when we slightly redistribute from the rich to the poor, and help people survive and cope with an inhumane economic system. Which is where so much social policy over the last few decades has resided - helping people survive an inhumane economic system - and we've celebrated marginal redistributing rather than saying why have we let the gap open up so much in the first place. And so I think perhaps the next wave of the wellbeing economy movement is to really pare down on things like budgets and think about how can they become longer term documents. How can they be mission-oriented towards really focusing on designing this sort of economic system we need, not being content just to celebrate spending and service provision but really look upstream and design an economy that does much more of the heavy lifting in terms of helping people live good lives first time round. That would be a much more caring economy than the one we had going into the COVID 19 crisis. And just finally, I think the word 'caring economy' is quite beautiful because we've seen what has got people through this last year is people caring for each other. We see it's this compassion and solidarity that people are showing to their neighbours, to their families, to strangers. It's not GDP that has kept people going; it's people caring for each other. How can we then have an economy that celebrates and rewards and enables that? That demands a conversation around shorter working weeks, around paying enough wages, around work-life balance, around the design of our cities. They're the sort of conversations we need to embark on and I look forward to talking about these a bit more with you in due course. Thank you.