

Scottish Policy Summit: write-up

April 2023

1. Introduction and background

This is the write-up from the Scottish Policy Summit, held in Edinburgh in April 2023. It synthesises the contributions, notes and reflections of participants.

These conclusions will help inform what Co-operatives UK's contributes to Scottish Government's current review of how to grow the co-operative economy.

2. What contributions can co-operatives and co-operation make to a high-wellbeing and low-carbon Scotland?

Participants noted that co-operatives provide a practical alternative to business as usual, which is failing to deliver the high wellbeing economy. Reasons given were:

- Co-operatives distribute wealth more effectively, for example through smaller pay gaps and by recycling of wealth in communities
- Co-operatives are relational, not just transactional
- Wellbeing can derive from democratic involvement, empowerment and greater control over things that matter (work, housing, services, place etc.)
- In worker co-operatives, collective decision and empowerment reduces stress, while it is also motivating to *"see the effect of your voice"* and there are advantages in *"more minds solving problems"*
- The empowerment in the worker co-operative model was also highlighted as being able to create safe space for women and LGBTQ+ people

Participants noted that co-operatives can address some wellbeing and environmental challenges simultaneously:

- More effective distribution of wealth/benefit engenders more widespread wellbeing on a lower footprint (i.e. 'distributive by design')
- Promoting individual and communal wellbeing can help more people to live lower carbon lives

Focusing more specifically on decarbonization:

- Because co-operatives have purposes beyond profit, and are controlled by people with motivations beyond profit, they can prioritize reducing their impact on climate and environment
- Good democratic governance helps promote more responsible, longer-term decision-making
- Co-operative structures make innovation, action and change more accessible to communities and individuals, with community energy a great example of this
- Co-operative and community housing has huge potential to enable decarbonization

3. What are the barriers to a larger and more impactful co-operative economy?

Through our conversations the following barriers emerged:

- Public awareness, understanding and appreciation of co-operatives is far too low, in communities, among potential entrepreneurs, businesses and those who advise them
- Cultural norms and perceptions in the economy discourage the exploration and adoption of co-operative models
- Co-operative options for work, living and social action are not explored often enough
- Institutional structures, policies, laws and regulations that shape the economy do not recognize, accommodate or enable co-operative approaches, and often create frictions
- Some types of co-operative have difficulties raising capital, because of unnecessary legal limitations, and because neither the market nor government enterprise finance schemes cater to their distinctive approach
- Not enough business support caters to co-operative formation and growth

4. What do we need Scottish Government to hear in its planned review on co-operative growth?

“Our ambitions are huge, but the things we need do to nurture and grow co-ops are modest, small, simple...”

Economic priorities and policy frameworks

Scottish Government must establish objectives and KPIs in economic policy and practice that prioritize and measure the human additionality (e.g. wellbeing, relational value) that co-operatives are great at generating. It needs a sophisticated conception of economic performance, beyond GDP growth.

It also needs to recognize the importance of a nurtured, democratic, relational, value-based foundational economy.

Scottish Government also needs to recognize that it is dealing with multiple converging crises and systemic failures, with huge costs, that can only be addressed through significant economic reform.

If it does these things, then it is likely to respond to the evidenced value-add of co-operatives with stronger action to enable co-operative growth.

Mainstreaming and scaling co-operatives

Scottish Government should mainstream co-operatives as a central part of its economic policy and practice. For example, it should require more economic democracy ‘by default’, when supporting businesses, and in its partnerships with business (e.g. industrial strategy, regeneration and procurement).

Scottish Government needs to make a concerted effort to improve knowledge and understanding of co-operatives among policymakers and officials in national and local institutions.

We need to help Scottish Government identify and understand the most successful, impactful and high-potential co-operative models round the world. We then need to define the mechanism for scaling and /or proliferating these models in Scotland.

Leveraging co-operation between co-operatives

Co-operation between co-operatives can amplify the impact of any SG interventions:

- Focus interventions that enable co-operatives to collectively grow their sector
- Resource peer support between co-operatives, to help new co-operatives form and existing co-operatives to overcome challenges and reach their potential
- Nurture an ecosystem of institutions and networks within the co-operative economy that enable growth

This will require SG's co-operative development initiatives (e.g. Co-operative Development Scotland) to be *"brought closer to the sector."*

Invest in co-operative development

SG needs to invest more in co-operative development to:

- create more effective interventions for start-up, including increasing visibility and accessibility of co-operative options in communities
- support existing co-operatives to thrive ('health visitors' as well as 'midwives')
- increase capacity in Scotland's co-operative development ecosystem

More institutions could and should play a role in co-operative development, including trade unions and community organisations.

Local co-operative development has the advantage of tapping into social capital and community. Social capital is critical to co-operatives and is strong at the local level.