

COVID-19 RECOVERY COMMITTEE - PRE-BUDGET SCRUTINY

September 2022

The Covid Recovery Strategy states its aim to make progress towards a “wellbeing economy”. What do you understand “wellbeing economy” to mean, and is there any link with this and the allocations for Covid recovery in the [Resource Spending Review](#)?

A “wellbeing economy”, in its simplest terms, understands that the goal of all economic activity is to deliver collective wellbeing. At Carnegie UK, we believe that collective wellbeing happens when social, economic, environmental and democratic wellbeing outcomes are seen as equally important and are given equal weight. A wellbeing economy, therefore, would not focus purely on economic growth: it would be designed to ensure that we all have what we need to live well together, now and in the future.

The Scottish Government already has the tools to deliver collective wellbeing. The National Performance Framework is a sophisticated tool that can be harnessed to deliver collective wellbeing. Therefore, in pursuit of a wellbeing economy, we would expect spending decisions to be directly aligned to the National Outcomes. We welcome the fact that the priorities identified in both the Spending Review and the COVID-19 Recovery Strategy relate to the National Outcomes. However, we would encourage a more explicit link between the National Outcomes and the calculation of spending allocations. This would provide greater clarity across public agencies about the focus on delivering wellbeing, reflective of a wellbeing economy.

Considering the current and immediate threats to wellbeing, we support the priorities outlined in the COVID-19 Recovery Strategy. We do not have any detailed comments on the allocations within the Resource Spending Review, but we would like to comment on the process of policy development and delivery in a wellbeing economy. Carnegie UK’s evidence tells us that collective wellbeing is only achieved when certain wellbeing tests are met. These are: giving people voice and choice; recognising relationships; promoting dialogue; supporting subsidiarity; enhancing transparency; tackling poverty; furthering equality and focusing on long-termism.

We recognise the financial pressures facing the Scottish Government and the consequent need for prioritisation. However, we would encourage greater attention to two of the wellbeing tests. First, a greater focus on supporting subsidiarity within spending allocations for the COVID-19 recovery: this could be achieved both through the funding provided to local agencies, especially local government, who are currently receiving real-term cuts; it could also be enhanced by reforming existing reporting requirements, so that local agencies are freed up to allocate resources to improve wellbeing in a way that is responsive to local

context and needs. Secondly, there is little evidence of how people in Scotland have participated in the decisions made in the Spending Review. At Carnegie UK, we believe that wellbeing has to be done by and with people, giving them voice and choice over decisions that affect their wellbeing. In a wellbeing economy, we'd expect to see greater public voice and choice within all aspects of the COVID-19 recovery process, including spending decisions.