

Wellbeing Economy Alliance for Research Challenges (WE-ARC)

Contact details:

- Gerry McCartney (gerard.mccartney@glasgow.ac.uk)

Academic partners:

- University of Glasgow
 - Adam Smith Business School (Andrew Cumbers, Robert McMaster)
 - School of Social and Political Sciences (Gerry McCartney, David Waite, Craig Gurney, Graeme Roy)
 - School of Education (Claire Bynner)
- University of Edinburgh
 - School of Social and Political Science (Oliver Escobar)
- University of Strathclyde
 - Fraser of Allander Institute (Mairi Spowage, David Eiser, Emma Congreve)
 - School of Social Work and Social Policy (Katherine Smith)
- Glasgow Caledonian University
 - Yunus Centre for Social Business and Health (Michael Roy)
- University of Aberdeen
 - School of Social Science (Lynn Bennie)
 - Business School (Harminder Battu)

Non-academic contributors:

- Scottish Government (Office for the Chief Economic Advisor, Constitutional Futures)
- Wellbeing Economy Alliance Scotland
- Public Health Scotland
- Centre for Human Ecology
- Scottish Trades Union Congress
- Poverty Alliance
- Joseph Rowntree Foundation
- Carnegie UK
- The Democracy Collaborative

Included academic disciplines:

- Economics and Political Economy (including expertise in modelling, economic democracy, labour markets, industrial policy, social enterprise, social provisioning and care)
- Social Policy (including expertise in the intersection between economic, social and health policies; housing policy)
- Political Science (including expertise in innovations in deliberative democracy and role of evidence and public participation in policymaking)
- Public Health (including expertise on the economic determinants of population health and health inequalities)
- Human Ecology and Environment (including expertise in systems science)

Wellbeing Economy as the challenge area

The National Strategy for Economic Transformation (NSET) sets out the Scottish Government's clear ambition to, "...create a wellbeing economy: a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places".¹ Arguably the idea of creating a Wellbeing Economy *is the overarching purpose* for the Scottish Government, as it incorporates policy responses to current challenges, while also embedding new approaches to measuring reframing societal progress within core mechanisms such as the National Outcomes (operationalised under the National Performance Framework (NPF)) and the United Nations (UN) Sustainable Development Goals (SDGs).

Following Mazzucato's mission-led framing² we propose that *'designing and implementing an economic strategy that will deliver a Wellbeing Economy (an economy that brings Scotland within ecological limits, reduces inequalities, improves health, and supports improved social outcomes) by 2030'*, should be the underlying mission for WE-ARC.

The creation of a wellbeing economy is directed towards addressing key societal challenges through redesign of the economy:

- Living within ecological limits: climate change and loss of biodiversity are existential challenges which are intrinsically linked to the dominant economic model and consumption patterns.
- Inequalities: poverty and socioeconomic inequality levels remain high and underlie many of the social challenges we face, exacerbated by the recent increase in inflation.
- Health: life expectancy trends stopped improving after 2012 and inequalities in health continue to worsen, all of which has been exacerbated by the pandemic and the interruptions to healthcare delivery.
- Social outcomes: as described in the NPF, there are many social outcomes which remain challenges for Scotland (e.g. education, crime, under-employment), many of which have economic influences.

The aim of the proposed Wellbeing Economy Alliance for Research Challenges (WE-ARC) is to bring into being a series of interdisciplinary research collaborations founded in Scottish institutions, but drawing in UK-wide and international partners, which lever large scale research funding to drive progress towards achieving this mission.

Alignment of WE-ARC with Scottish Government priorities

WE-ARC aligns with several Scottish Government (SG) priorities and will support progress across the outcomes detailed in the *National Outcomes and NPF*. Indeed, the refocus of economic strategy towards a wellbeing economy within the NSET is a recognition of the need to ensure that economic policy contributes positively across the NPF and minimises unintended economic consequences such as 'Failure Demand'³ (the costs to government and society caused by the current economic system, such as the costs of cleaning up pollution or subsidising low wages) and environmental collapse.

Most clearly, WE-ARC will support the further development of the *NSET* and will deepen understanding of how to achieve the ambition articulated for a *Just Transition* (the transition to an

¹ Scotland's National Strategy for Economic Transformation. Edinburgh, Scottish Government, 2022.

² Mazzucato M. Mission-orientated innovation policies: challenges and opportunities. *Industrial and Corporate Change* 2018; 27(5): 803-815.

³ Chrysopoulou A, Anielski M, Weatherhead M. Failure Demand: Counting the true costs of an unjust and unsustainable economic system. Glasgow, Wellbeing Economy Alliance, 2021.

ecologically sustainable economy in a way that the most impacted workers and areas are protected)⁴ to a wellbeing economy. A clear mechanism for delivery is **Community Wealth Building**, on which the SG has committed to bringing forward legislation. Related to this is how economic democracy, ownership and governance is developing in Scotland. The new publicly-owned institutions and public-community partnerships provide opportunities to better inform the design of a plural economy, including private, social enterprise, co-operative, municipal and nationalised models. Informing capital spending plans, including the resources available through **City Deals**, the UK Government's **Levelling Up** strategy, and the plans of the **Regional Economic Partnerships** also provide live policy challenges. Each of these policy areas are important routes through which economic strategy is delivered and will therefore be key areas of focus for WE-ARC.

The economic strategy is fundamental to the achievement of the **Climate Change Plan** and the proposals of Scotland's Climate Assembly, including actions across industrial policy, transport, housing, agriculture and energy. How these sectors are supported, prioritised, funded and organised is heavily influenced by NSET and is therefore integral to success. The SG have also set targets for the reduction of **child poverty**, and an economic strategy that contributes to greater economic equity is central to this ambition.

The work of WE-ARC will also have **international impacts**, linking to and supporting the delivery of the UK Government's Levelling Up ambitions, the United Nations' Sustainable Development Goals (SDGs), the World Health Organisation's 'Council on the Economics for Health for All', the OECD's 'Beyond GDP' agenda, and the growing network of Wellbeing Economy Governments (WEGo).

There is an increasing recognition that Scotland has experienced an implementation gap, which means its bold and evidence-informed ambitions are not always achieving the intended outcomes. WE-ARC will draw on its cross-disciplinary, cross-sector and international expertise to work collaboratively with the Scottish Government, and other policy and practice partners to develop clear proposals for overcoming this in relation to economic strategy.

Nature of the multidisciplinary response required

The basis of WE-ARC is that the development of economic strategy and policy requires the application of a broad range of expertise which has not yet been brought together cohesively to work on this agenda. This would ensure the integration of economics into the broader canon of political economy and social science as part of WE-ARC, this will put economics at the *service* of today's grand challenges, rather than aiming economics at a narrower and dissociated set of economic goals.^{5 6 7 8}

The design and implementation of economic strategies to deliver on the multiple challenges of today, including climate change, inequalities, poverty, and stalled life expectancy trends, needs to be informed by multidisciplinary perspectives. The Mission-based approach hinges on achieving a long-term transformative societal change involving concerted actions across sectors and stakeholders. Key principles include a clear and measurable direction; an ambitious target decomposed into many

⁴ Just Transition - A Fairer, Greener Scotland: Scottish Government response. Edinburgh, Scottish Government, 2021.

⁵ Aldred J. Licence to be Bad: How Economics Corrupted Us. London, Penguin, 2020.

⁶ Raworth K. (2017) Doughnut Economics: Seven Ways to Think Like a 21st Century Economist. London, Random House, 2017.

⁷ Skidelsky R. What's Wrong with Economics? A Primer for the Perplexed. New Haven, Yale, 2021.

⁸ Mazzucato M. The Value of Everything: Making and Taking in the Global Economy. London, Allen Lane, 2018.

experimental small steps; and a diversity of perspectives.⁹ Additionally, it is clear that not all missions are the same, and indeed some - including the wellbeing economy - exhibit 'contestation', 'complexity' and 'uncertainty' about the overall aims and the how to work towards it.¹⁰

WE-ARC promises a critical research mechanism by which to set out and begin to work through the wellbeing economy mission. It will include economists with a wide range of research interests, including economic policy modelling, economic democracy, social enterprise, labour markets and industrial policy. Sociological expertise around democratic innovations, power dynamics and social class processes are important to enable the economy to be designed to be inclusive, and to reduce power and economic inequalities. Ecological and housing expertise will inform how the economic strategy can achieve a rapid and just transition to net zero whilst protecting nature and reducing inequalities. Public health research expertise on how economic policies and exposures impact on population health and health inequalities is essential, given the wide health inequalities in Scotland and the stalled life expectancy trends observed since 2012. Getting beyond silo-thinking and disciplinary boundaries, We-ARC will create a space for mission-led and practice-oriented thinking that is systemic and actionable.

In addition to the core academic expertise, involvement of key stakeholders will play a crucial role in ensuring that this programme of work addresses the needs of Scotland's policymakers and practitioners, and that these outputs are timely, accessible and viable. This includes the Scottish Government, trade unions, Public Health Scotland and bodies representing the interests of people impacted most by poverty and inequality (STUC, Poverty Alliance, JRF). Key third sector bodies will also play an important role in bringing fresh thinking and challenge to WE-ARC (JRF, Carnegie UK, Democracy Collaborative, Centre for Human Ecology), as well as strategic expertise. Partners in WE-ARC are experienced in evidence-informed advocacy, developing large research consortiums and this provides a strong foundation for longer-term policy change.

Breadth versus specificity: informing economic strategy for Wellbeing Economy

The concept of a Wellbeing Economy is relatively new, and the details of how the design and development of a Wellbeing Economy should differ from the past has not yet been settled. Although the concept should permeate all policy areas, the focus of this proposal is on informing the further **development and implementation of economic strategy** at national, regional and local level, to realise a Wellbeing Economy. This will ensure that the work of WE-ARC will be sufficiently focused and mission-orientated, but also have wide impacts given the centrality of the strategy to responding to the societal challenges we face.

Future funding opportunities

The potential for large-scale and sustained research funding in this area is substantial:

1. As part of **UK Research and Innovation (UKRI)**, the **Economic and Social Research Council (ESRC)** have large grants (£1.0-2.5m over 3-5 years) and centre grants (up to £10m over 5 years) available in their priority areas, which include: innovation, prosperity and sustainable growth; and widening opportunities and improving outcomes. Wellbeing Economy research would clearly fit within their remit and link to broader UK policy priorities such as Levelling Up.

⁹ Mazzucato M, Macfarlane L. A mission-oriented framework for the Scottish National Investment Bank. London, UCL Institute for Innovation and Public Purpose, 2019.

¹⁰ Wanzenböck I, Wesseling JH, Frenken K, Hekkert MP, Weber KM. A framework for mission-oriented innovation policy: Alternative pathways through the problem–solution space, *Science and Public Policy* 2020; 47(4): 474–489.

2. The **National Institute for Health Research (NIHR)** have a number of Public Health Research (PHR) funding calls which will consider *only non-NHS interventions* to improve population and health inequality outcomes, including economic and social policy interventions (e.g. funding was recently awarded to evaluate population health impacts of the 'Preston' community wealth building model). There is no funding limit for application to this fund.
3. **Horizon Europe** (pending UK association or a domestic equivalent) have several relevant funding schemes (particularly in Pillars 2 & 3) with priorities including: 'Adaptation to climate change, including societal transformation'; 'Climate-neutral and smart cities'; 'Innovative research on Democracy and Governance'; and 'Innovative research on Social and Economic Transformations'. Existing collaborative links of WE-ARC collaborators across Europe would enable leverage into winning funding in these areas.
4. The **Wellcome Trust** have climate and health as a priority, and (unlimited) Discovery Awards available for established research teams for up to 8 years. Wellbeing Economy proposals focusing on the impacts of economic redesign on population health could be funded through this route.
5. The **Nuffield Foundation** fund up to £3m in their priority areas, which includes highly relevant areas such as, "What types of economic policies and systems would best enhance individual and societal well-being and challenge existing inequalities, as society adjusts to turbulent and uncertain growth in the economy, earnings and productivity in the post-COVID19 world?". WE-ARC would be in a prime position to lead applications in this area.
6. The **Institute for New Economic Thinking (INET)** fund research projects up to \$250,000 which 'challenge economic orthodoxy', and so WE-ARC would be well placed to win funding in this area.
7. A range of **charitable foundations** (including Omidyar and the Open Society Foundation) have an interest in funding research into alternative economic models which could be avenues for some projects that will be developed by WE-ARC.

WE-ARC collaboration

WE-ARC would be led by newly appointed Professor of Wellbeing Economy at the University of Glasgow, Gerry McCartney, who brings a unique combination of disciplinary expertise in public health and economics, alongside substantial experience of working closely with SG via his former role in the NHS (Health Scotland & Public Health Scotland). As detailed earlier, the collaboration will include key academics in Scotland who are informing wellbeing economic strategies, and well as a range of third sector and practice voices. The Scottish Government team within the Office for the Chief Economic Advisor who lead on the development of the wellbeing economy strategy are supportive of this bid and would be involved in shaping the resulting programme of work. The collaborators are also networked with UK, European, South-American and North American research, policy and practice networks and would be well placed to leverage funding from beyond Scotland through these connections, and to help WE-ARC achieve demonstrable policy impact.

Added benefit of SFC funding

Currently there are many world-class academics working in Wellbeing Economy-related areas within Scotland but, at present, there is no comprehensive collaboration to inform economic strategy design and the interest in wellbeing economy. SFC funding of WE-ARC would enable this founding group of collaborators to develop interdisciplinary research approaches and grant applications that will lever substantial additional grants from a wide range of funders. We also anticipate broadening the collaboration beyond this founding group. This research programme will be co-designed with key policymakers at all levels, to ensure that the work will have maximum relevance and impact.