

Developing Scotland's Economy: Increasing The Role Of Inclusive And Democratic Business Models

September 2024

I was delighted to be asked by Scottish Ministers to lead this Independent Review of Inclusive and Democratic Business Models (IDBMs) in Scotland. Our work was prompted and driven by the National Strategy for Economic Transformation (NSET) commitment to - *'undertake and publish a review of how best to significantly increase the number of social enterprises, employee-owned businesses and co-operatives in Scotland, supporting regional regeneration and the wealth of local communities'*.

This review comes at an opportune and important moment. Scotland and the world stand at a crossroads, an inflexion point, moving from an old fossil fueled economy with unsustainable resource use and unacceptable levels of poverty, towards a new economy that aims to be prosperous, fairer and greener.

We have a choice. We either presume that we can make this change through continuing as we are with the same blend and proportion of business and enterprise ownership forms, or we start to build a genuinely new economy by boldly advancing community wealth through increasing the number and proportion of IDBMs within Scotland.

Our work goes to the heart of how well the economy works and who it works for. As the report shows, IDBMs (be it co-operatives, social enterprises, employee-owned firms, community enterprises or development trusts) have an intrinsic and adept capability to aid economic transformation, distribute wealth, support communities and be purposeful in ways that serve people, place and the environment. Questions as to who owns our businesses are not of peripheral or marginal concern, but central to creating a prosperous, innovative and dynamic economy.

In taking forward this Review, we were clear that it should live up to the values of inclusion and democracy, be ambitious, bold and experience-led. As such, I am extremely grateful for all the experienced and knowledgeable members of the review group. There were differing perspectives reflecting the breadth of the group, and we discussed and debated ideas. We have thus arrived at a positive new direction with a powerful set of ideas and recommendations that will start the journey, advance IDBMs and, if fully implemented, contribute to the achievement of a more prosperous, innovative and dynamic economy for Scotland.

Throughout the work I was struck by the solid platform and cultural traditions we have in Scotland that lends itself to growing inclusive and democratic business models. There are good things happening already: IDBMs are a recognised part of the economy, there are support organisations, there is some funding support, there are exemplars. We have fora and organisations who prompt sharing, learning and development. However, crucially for Scotland they are not ambitious enough, often disparate and not joined up. We must coordinate and go further.

This report challenges us all think differently about the status, delivery and support afforded to IDBMs. It places questions of ownership, at the forefront of economic development and agencies, offering a significant increase in the growth of IDBMs as a key focus for government strategy, policy and practice.

This Review was never about augmenting existing practices or making slight tweaks. The scale of change we are proposing reflects both the magnitude of the opportunity and the huge challenges facing us. In this, we advocate for a new ecosystem that turns the dial, ramps up impact and with serious focus meets Scotland's economic ambitions to be strong, dynamic and prosperous.

Neil Mcinroy

Contents

Executive Summary	4
1. Introduction	7
2. Method and Process	9
3. Vision: Increasing the Role of Inclusive and Democratic Business	10
4. Current Landscape and Future	14
5. Recommendations	19
5.1 Overarching and Enabling Recommendations	19
5.2 Awareness, Training, Advice and Support	21
5.3 Finance and Funding	24
5.4 Policy and Legislation	25
6. Conclusion	27
7. Annex A: Group Members	29
8. Annex B: Current Support Landscape	30
9. Reference List	32

Executive Summary

Developing Scotland's economy for economic success, and achieving our wider ambitions for a thriving, fairer, greener, and more resilient economy for the people and businesses of Scotland, requires a strong platform of organisations that prioritise economic democracy and promote environmental responsibility, fair work, inclusion, and opportunities for all (Scottish Government, 2021).

Inclusive and Democratic Business Models (IDBMs) do this, and more (Roy, 2021). Around the world, they are not considered a 'sideline' to the mainstream economy, but a vital, growing and essential part of economic success. Over 280 million people in the world (some 10% of the world's employed population) are employed by IDBMs, with the largest 300 of these reporting a combined turnover of over USD 2.4 trillion (International Co-operative Alliance, 2023).

IDBMs are central to Community Wealth Building (CWB), being key to the five pillar model (Scottish Government, 2022, EDAS, 2023), and delivering on a Scottish economy that is fairer, greener and more resilient.

They have an intrinsic and dynamic capability to aid economic transformation, distribute wealth, support workers and communities and be purposeful in ways that serve people, place and the environment. If more people have a genuine stake and say in the economy, then more wealth and prosperity for all Scotland's people and communities can be realised. IDBMs contribute to economic prosperity, in terms of GVA, productivity, employment and innovation. They are an effective tool for economic transformation and wellbeing.

Given this undoubted potential IDBMs can play a far more pivotal role in building community wealth and a successful economy that:

- Is more productive and responsible.
- Offers greater investment / re-investment opportunities.
- Is more dynamic, innovative and flexible.
- Builds resilience in communities, supply chains and firms.
- Has fairer distribution of agency and power to business, workers and communities.
- Brings greater wealth distribution.
- Improves social and environmental impacts.

As such our call to action is to ensure we grow their influence and impact. The Review Group suggest we must:

- Support the mainstreaming of inclusive and democratic business models as a "golden thread" throughout all of Scotland's economic strategies and work of our agencies.
- Support our entrepreneurs and wider society by helping to forge and embed a culture where the benefits of enterprises operating with a non-traditional business model are readily perceived and acknowledged.

- Enhance the existing eco-system of support, possibly in the form of a ‘Centre for Excellence’ to stimulate the creation of new enterprises, and strengthen employee-owned businesses, co-operatives and social enterprises enabling them to flourish and recirculate their surplus in a purposeful way which benefits both their organisations, local and national economies.
- Tripling of the number of IDBMs in the Scottish economy by 2034 - representing a shift from circa 7000 to 21000.

The independent Review Group remains committed to the central premise that working to significantly increase the numbers of social enterprises, employee-owned businesses and co-operatives in Scotland’s business base will ensure the transformation of our economy and achievement of wider ambitions in creating a thriving, fairer, greener and more resilient economy for the people and businesses of Scotland.

Recommendations

1. IDBMs should run through Scottish economic thinking and strategy as a central golden thread.
2. Establish an ‘Economic Democracy’ group.
3. Investment in data and evidence on IDBMs is required to support policy and service design.
4. National awareness raising and training programme.
5. Widen scope of existing Social Enterprise awards.
6. Ensure that outreach, awareness raising and pre-technical IDBM development is available.
7. Further and Higher Education Anchor organisations take a key role in promoting IDBMs.
8. The Economic Democracy Group should develop a clear action plan to create an effective and extensive ecosystem, possibly in the form of a Centre for Excellence, providing support for IDBMs.
9. Streamline existing public resources.
10. Map the current provision of support, identifying and assessing gaps in support.
11. Grow the role of the Scottish National Investment Bank (SNIB) to intentionally and specifically support IDBMs.
12. Consider extending the role of social investment and democratic finance providers (for example Social Investment Scotland, Scottish Communities Finance) to cover all enterprises operating with an IDBM.
13. Promote IDBMs and economic democracy within Economic Development and with grant givers, procurement and commissioning professionals within the public, private, third and community sector.
14. Amend the existing Sustainable Procurement Duty, to facilitate the participation of IDBMs.
15. Consider extending Scottish right to buy legislation to IDBMs.
16. Explicitly weave contribution and value of IDBMs into relevant economic indicators.

17. UK and Scottish Government to explore potential tax relief, work with the financial sector and instigate other legislation to support the creation and sustainability of enterprises operating an IDBM.

1. Introduction

1.1 This independent review was announced in the National Strategy for Economic Transformation (NSET) (Scottish Government, 2022) which committed to ‘*undertake and publish a review of how best to significantly increase the number of social enterprises, employee-owned businesses and co-operatives in Scotland, supporting regional regeneration and the wealth of local communities*’. This is important as these forms of enterprise are part of building economic democracy¹ and are central to achieving more and sustainable social benefits, stronger productivity, and a more prosperous, innovative and dynamic economy.

1.2 This report and the recommendations draw on the extensive knowledge, experience, deliberations, and discussions of the Review Group, chaired by Neil McInroy, Global Lead for Community Wealth Building (CWB), The Democracy Collaborative and Chair of Economic Development Association Scotland. Members (see Annex A) of the Group have been at the forefront of supporting, delivering, and operating Inclusive and Democratic Business Models (IDBMs)² in Scotland for a number of years.

1.3 The Review Group identified four key areas of focus. These reflect the crucial aspects to support an increase in the number of IDBMs across all types in Scotland:

- Culture, Context and Awareness of IDBMs.
- Training, Advice and Support.
- Finance and Funding.
- Policy and Legislation.

1.4 By reviewing the progress made in supporting IDBMs, opportunities for change have been identified. A number of the recommendations are directed at supporting and augmenting existing activity and can be adopted in the short term. Other recommendations are more radical, longer term and will require additional work and development. Furthermore, a number of recommendations play directly into the proposed CWB, and Wellbeing and Sustainability legislation and Democracy Matters consultations, offering opportunities for advancing IDBMs and economic democracy.

1.5 The recommendations in this review aim to address the identified challenges and take action that will both accelerate the growth and sustainability of enterprises currently operating in our economy and support the creation of new businesses and

¹ Economic democracy or democratic economy is about shifting ownership and decision-making powers to a broader set of stakeholders that includes workers, consumers, suppliers, communities and the broader public sector.

² Inclusive and Democratic Business Model(s) IDBM, is used as a shorthand throughout this work to refer to social enterprises, employee-owned businesses, worker co-operatives, co-operatives, Development Trusts and other forms of democratic ownership models. These are referred to as the Social and Solidarity Economy, Social Economy or Inclusive and Democratic Enterprises in other countries and academia. In using the term IDBMs, we are not diluting individual elements but augmenting by giving them more collective strength. Furthermore, whilst there are distinctions between the different types of IDBMs, they are not mutually exclusive and there is crossover and bleed between these forms.

enterprises in the future, while providing wider social, economic and environmental benefits which support the achievement of a prosperous, innovative and dynamic economy that delivers wellbeing.

2. Method and Process

2.1 The review was conducted in an iterative fashion, with a desire to surface existing successes and challenges, prompting discussions focused on creating core recommendations. This occurred within the review meetings and via work undertaken by the Chair with individual Review members and the Scottish Government secretariat. All Review members contributed fresh material, insights and comments throughout the process.

2.2 The broad arc of the six Review Group meetings flowed in the following way:

- **Meeting 1:** Surfaced issues and challenges, identifying the key areas for the review (as outlined above).
- **Meeting 2:** Focussed on the issues and challenges further, beginning the process of sifting solutions and identifying recommendations.
- **Meeting 3:** A deep dive workshop focussed on further exploration of potential recommendations.
- **Meeting 4:** Discussion of the draft report, with key actions and amendments noted.
- **Meeting 5:** Discussion of draft report and recommendations, which included a session with Tom Arthur, MSP, the then Minister for Community Wealth and Public Finance.
- **Meeting 6:** Final meeting to agree report and recommendations.

3. Vision: Increasing the Role of Inclusive and Democratic Business

3.1 This report starts from a simple and ambitious premise. If more people have a genuine stake and say in the economy, through advancing the number of IDBMs, then more wealth and prosperity for all Scotland's people and communities can be realised. Achieving a vibrant and sustainable economy that is fairer, more inclusive, and less harmful to our planet is the central rationale for this report and the work of the Review Group.

3.2 In this, the Review Group confirms and strongly asserts the significance of IDBMs within the context of NSET. NSET outlines and details a programme of work that aims to deliver economic prosperity for all of Scotland's people and places (Scottish Government, 2022). This in turn is key to Scotland's ambition to have a more prosperous, innovative and dynamic economy. Indeed literature suggests that IDBMs will benefit workers by increasing autonomy in their daily work lives (Marmot 2004), increasing economic security (Arando et al. 2010), and increasing job satisfaction (Scott-Ladd et al, 2006).

3.3 This work also plays into potential Community Wealth Building³, Wellbeing and Sustainable Development legislation⁴, the new Land Reform Bill (Scottish Government, 2024), Democracy Matters consultation and the recently announced review of Community Right to Buy (Scottish Government, March 2024). This review is also informed by the work of the Business Purpose Commission Report (Scottish Council for Development and Industry, 2022), reiterated in the New Deal for Business Group report (Scottish Government, 2023). This important work encourages and supports businesses to advance 'business purpose' as a means of delivering a more prosperous, resilient and socially inclusive economy. The work on Business purpose and this review on IDBMs are mutually supportive of each other, creating a unified sense of purpose around building a prosperous, innovative and dynamic economy.

3.4 In advancing IDBMs, we start from solid foundations, with IDBMs already making a contribution to Scotland's economy as detailed in the Current Landscape and Future section of this report. For example, the 2021 Social Enterprise Census conducted by Social Value Lab (CEIS, 2021) reported a contribution of £2.63 billion (Gross Value Added) to the economy. Furthermore, by increasing the scale and size of ownership stakes in the economy and increasing engagement, productivity can grow, for example, employee-owned businesses are reported to be 8-12% more productive, wages can be higher, and shareholder dividends are more likely to be recirculated back into the Scottish economy, as evidenced in The EO Knowledge Programme 2023: People Powered Growth report (Employee Ownership Association, 2023). In addition, according to The Purpose Dividend report (DEMOS, 2023) Britain's economy could receive a £149bn boost from a change to UK business laws that would ensure companies put social, economic and environmental benefits at the heart of their decision-making.

³ See [here](#) for responses to proposed Community Wealth Building Legislations.

⁴ See [here](#) for outline on proposed Wellbeing and Sustainable Development Legislation.

3.5 However, Scotland must push on with greater ambition to meet the climate crisis, tackle longstanding inequality and poverty, transforming how our economy operates. In this, IDBMs are of great significance as they extend the notion of economic gain by embodying social values, sustainability, solidarity, cooperation and a deeper relationship to place and environment. IDBMs are an effective tool for economic transformation and wellbeing. They offer wealth retention and recirculation through increasing the percentage of people and communities who have a genuine stake in economic activity and assets. IDBMs embody the kind of economy we in Scotland aspire to. Over the longer-term, social enterprises, co-operatives and employee-owned businesses should become much more prevalent within the wider business base of Scotland.

3.6 In advancing IDBMs and economic democracy we must consider their status and profile within the national consciousness and policy. In this, the Review Group wishes to highlight how IDBMs are viewed in other countries. In a number of areas across the world, for example, Spain, Italy, France and Canada, economic democracy has been thriving and is seen as a growing plank of national and local economic strategy and an important contributor to local economies and wider society due to the additional benefits these business models can bring. For example, in France and Spain IDBMs contribute 10% of GDP, with over 2 million jobs. In Quebec, 4% of all businesses are IDBMs contributing 5% of all jobs.

Economic democracy and IDBMs are not peripheral, an adjunct, or in some way secondary to traditional business models. They are seen as important economic assets, creating employment opportunities and keeping wealth within communities. The Organisation for Economic Co-operation and Development (OECD) highlights an increasing recognition of economic democracy and the 'social and solidarity economy' as a key contributor to economic health and vitality (OECD, 2022).

3.7 In Scotland, IDBMs are appreciated within existing economic strategy and planning, however IDBMs are not fully recognised as a core lynchpin. Their status needs to grow. So, we assert that:

The growth of IDBMs, economic democracy and business purpose more broadly must be explicitly acknowledged and supported as a catalytic core at the heart of Scotland's future economy.

3.8 In amplifying the catalytic role of IDBMs and economic democracy, increased resilience and further economic success for Scotland's economy can be achieved. By their very nature IDBMs are generative, recirculating wealth back into the economy and ensuring assets are more readily held by communities, employees and local owners. In this, IDBMs can advance relationships between employees and employers, wed natural assets with local communities, and provide people with a greater stake in their local economy. By unlocking and investing in community infrastructures, within a wider programme of CWB we can secure IDBMs as a central and growing part of the overall economy, working effectively with the commercial and public sectors.

3.9 This report is clear in that achieving true transformation we cannot ignore the central issue of ownership. Ownership and decision making over the power and resources in the economy is key to Scotland's future economic success and resilience. This ensures an increasing part of the economy is truly relational to place and driven by employees, local consumers and communities. Any perception that wellbeing and greater levels of fairness can be achieved without a consideration of, and growth of democratic ownership is limited and limiting.

3.10 Traditional redistribution alone, through the benefit system or other forms of social assistance, will not enable Scotland to achieve economic transformation and its wellbeing ambitions. Instead, we must also focus on democratic ownership and the role of IDBMs as a key wealth redistributive tool, along with wider business purpose approaches, to deliver on our national aims of economic transformation and create a prosperous, innovative and dynamic economy.

IDBMs and the Change We Want to See

3.11 To drive this change, the Review Group believes that there needs to be wide support from many actors to ensure there is adequate resource, clear and ambitious strategic objectives, and specific targets. Strategically the essential change required is predicated on the understanding that IDBMs play a key role in building an economy which:

- Is more productive and responsible.
- Offers greater investment / re-investment opportunities.
- Is more dynamic, innovative and flexible.
- Builds resilience in communities, supply chains and firms.
- Has fairer distribution of agency and power to business, workers and communities.
- Brings greater wealth distribution.
- Improves social and environmental impacts.

3.12 In terms of targets, we give further detail in the Overarching and Enabling Recommendations.

3.13 Our overarching aim for Scottish Government, its agencies and entrepreneurs is to unlock rapid growth in IDBMs. Roughly one in fifty businesses operate as an IDBM, which is circa 7000, we are now aiming to triple this to 21000 IDBMs by 2034⁵. The Review Group, believe that this target is achievable and should be a

⁵ This target needs to be reviewed by the Economic Democracy Group in light of the issues in establishing an accurate baseline. The most recently available data referred to in the Landscape section suggests there are 6,844 IDBMs in 2022. This figure is drawn from 3 sources: Social Enterprise Census 2021 (CEIS, 2021), 6047; Co-operative and Mutual Economy 2023 report, 621 (Co-Operatives UK, 2023); and Employee-owned Businesses, (Co-operative Development Scotland, 2022), 195. Additionally current Business in Scotland report [Time Trends - Businesses in Scotland: 2023 - gov.scot \(www.gov.scot\)](#) puts the number of private businesses in Scotland at 340,760. A target of 5% for IDBMs would mean 17,038 business. Due to the differences in timings and methodological approaches between the current data sources, it is not possible to give a single figure

national partnership and 'Team Scotland' aim, with key responsibilities given to the Enterprise Agencies. Furthermore IDBMs are uniquely placed to support the achievement of a prosperous, innovative and dynamic economy with net zero aims for example through the supporting Climate Change Hubs and through support offered to current businesses to transition to an IDBM through succession planning. However, the final figure would be agreed and set by the Economic Democracy Group.

The desire to grow the numbers of IDBMs in Scotland is matched by our desire to support existing businesses operating as a social enterprise, co-operative or employee-owned business to thrive and grow. IDBM research shows that these business are more resilient and creative (Co-Operatives UK, 2023). In capturing and supporting this creativity, we can increase the economic contribution in terms of GVA and sustainable employment opportunities for people, helping to recirculate the wealth created in our communities.

estimate for the number of social enterprises, cooperatives and employee-owned businesses in a specific year, or to provide this as a percentage of the total business base

4. Current Landscape and Future

4.1 The Scottish economy has faced a succession of shocks in recent years, from EU exit and the pandemic to the ongoing cost-of-living and climate crisis. The growth of IDBMs is important in this context, where there is a need for greater resilience, business action on climate crisis, wealth retention and circularity. Qualities which IDBMs possess.

4.2 Social Enterprises

Current Landscape

4.3 Social Enterprises can play a pivotal role in delivering on key outcomes as set out in the National Performance Framework, making Scotland a more successful country, with opportunities to create sustainable and inclusive growth, reduce inequalities and increase wellbeing for all. Over the past 10 years Scottish Government policies have actively supported the development of social enterprises through the Strategy (Scottish Government, 2016) and relevant action plans.

4.4 The 2021 Social Enterprise Census is the fourth census, led by CEIS and researched by Social Value Lab (CEIS, 2021). The census was completed as part of a 10-year commitment to track the development of the social enterprise sector nationally. The 2021 census found 6,047 social enterprises operating across Scotland, contributing £2.63 billion (Gross Value Added) to the economy and employing over 89,970 FTE people. 82% of social enterprises are selling directly to consumers and 7% exported goods within the preceding 12 months.

The Future

4.5 The Scottish Government has committed to supporting the development of social enterprises since the launch of the Social Enterprise Strategy (Scottish Government, 2016). The Strategy set out long term programme to develop the potential of Scotland's social enterprise sector. The latest Action plan (Scottish Government, 2021) was published in March 2021 covering the period 2021-24. Work has commenced on the new action plan for 2024-26.

4.6 Scotland is perceived as world leading in Social Enterprise policy mainly through the Strategy mentioned above and the dedicated support programmes. The potential exists to create large scale social enterprises that could be used as a means to manage some of Scotland's most economically, culturally and environmentally important assets. We are seeing social enterprises from around the world wishing to partner and be based in Scotland through initiatives like Climate Change Litigation Initiative (University of Strathclyde) and the export of some of our most successful enterprises through the International Social Enterprise Observatory (ISEO).

4.7 Social Enterprise Scotland have highlighted the need to give social enterprises a greater voice to highlight the business development opportunities, challenges and solutions that both public and private sector procurement could offer in assisting social enterprises to thrive.

4.8 According to the latest Social Enterprise Census (CEIS, 2021), in terms of a “public contract win” over the past year, 15% of social enterprises reported success in 2017, with an increase to 18% in 2019 (CEIS, 2019) but down to 15% again for 2021 (4% in a consortium, 11% bidding alone), albeit within a lockdown context. Most social enterprises are not involved in bidding for contracts, 82% reported as not bidding for public contracts in the year up to Oct 2021. In this regard, social enterprises share similar challenges to those faced by SMEs in access and winning public contracts, making public procurement a “hot topic” for the future as reported in the joint Social Enterprise Scotland and Scottish Council for Voluntary Organisations survey (Social Enterprise Scotland, 2023). Public procurement and commissioning of services with Social Enterprises is an opportunity to support local wealth creation and retention and supporting the achievement of wider economic, social and environmental benefits.

4.9 In recognising the importance of social enterprise and the contribution the sector makes to the economy, Scottish Government has moved Social Enterprise policy to the Economy Directorate. This provides an opportunity for further alignment with wider economic development policy and interventions.

4.10 Community Owned Enterprises

Current Landscape

4.11 Community owned enterprises (such as Development Trusts and Community Cooperatives) are recognised for their distinct community-led, place-based and enterprising nature. The recent Development Trusts Association (DTA) member survey (Development Trusts Association Scotland, 2023), reported 349 DTAS members operating across Scotland, contributing to the local economy and employing local people. Community owned enterprises often work in areas where there has been market failure, for example, the local shop closing and bringing it back to life.

4.12 Community owned enterprises have increased the number of organisations raising alternative finance through community shares, bonds and democratic finance opportunities. The Programme Statistics & Impact Report 2014-2023 (Community Shares Scotland, 2023) evidenced £19 million of shares finance raised between 2014-2023.

The Future

4.13 The Scottish Government introduced the Community Empowerment (Scotland) Act 2015, enabling communities to have more control over the decisions that affect them to develop their own economies, wellbeing and environments. The Scottish Government are currently reviewing the Community Empowerment Act to identify further ways of supporting communities through asset transfer. This has resonance with this work, and we expect this work to feed into this review of community empowerment which is due to conclude in 2024.

4.14 Furthermore, the Scottish Government has committed to the Local Governance Review (Scottish Government, 2019) supported by Democracy Matters conversations which are taking place across Scotland. The aim is to facilitate the devolving of more powers to local communities, to help to deliver community, fiscal and functional empowerment for Scotland's different places and diverse communities of interest and place. This is key to ensuring this subsector matures and can contribute meaningfully to advancing CWB.

4.15 Co-operatives

Current Landscape

4.16 The Co-operative and Mutual Economy 2023 report (Co-Operatives UK, 2023), states the UK's democratic economy (which includes co-operatives, building societies, financial mutual, and employee-owned enterprises) has 9,113 businesses with a combined annual income of £87.9 billion. They report co-operative numbers in Scotland have increased by 3.16% (602 to 621).

4.17 This report highlights the resilience of co-ops with a survival rate of 83.3% for new starts over 5 years, more than double other start-up businesses, and that the democratic economy employs over 410,000 people across the UK. There are 396 worker co-ops operating across the UK, a reduction from 407 in 2022 (-2.7%) (Co-operatives UK, 2023).

The Future

4.18 Echoing what we refer to above as regards Scotland underperforming in international terms, estimates provided by Co-operatives UK, show that in 2020, Scotland's ratio of co-op turnover to GDP per capita was 17 times smaller than the UK's and 130 times smaller than France's. In 2020 Scottish co-op turnover per capita was 2 times smaller than the UK's, and 14 times smaller than France.

4.19 The Co-operative and Mutual Economy 2023 report (Co-operatives UK, 2023) highlights that co-operative development in Scotland is enhanced in UK terms, by a more enabling government policy to support co-operative development. The report also highlights the Co-operative Development Scotland (CDS) service as being helpful in Scotland with little comparable support available in England. However, it is recognised that more needs to be done to achieve the ambition of significantly increasing the number of IDBMs operating in Scotland. There is so much potential that could be developed and supported through CDS (Scottish Enterprise Scotland, CDS, 2023) and partners if these models were given greater strategic priority and the resources to match untapped demand and get us closer to the performance levels experienced elsewhere.

4.20 If we were to see an increase in the number of Scottish businesses that were democratically owned, we would see improvements in key economic indicators for Scotland including productivity, economic security as well as a contribution to the achievement of a prosperous, innovative and dynamic economy. Recent modeling carried out by Co-operatives UK, to support the work of the Review Group, found

that if 10% of all 2+ employee firms in Scotland were worker co-operatives and employee-owned businesses the impact would be:

- Overall labour productivity (GVA per worker) in Scotland could improve by 20%.
- An additional 25% of 2+ employee firms, and 56% of workers in 2+ employee firms, could have fair pay accreditation.
- An additional 18% of 2+ employee firms would have a decarbonisation plan.
- An additional 22% of workers in 2+ employee firms would enjoy significantly reduced risk of redundancy in a 3-year period.

4.21 If 10% of 2+ employee firms in Scotland were co-operatives, then this alone could reduce Scotland's mean gender pay gap by 6%. If 5% of Scottish start-ups were co-operatives, then this alone could improve Scotland's overall 5-year survival rate for start-ups by 2.6%.

4.22 The above would have strong and positive impacts on key measures in the Wellbeing Economy Monitor (Scottish Government, 2022) such as greenhouse gas emissions, poverty, health, educational attainment, pay and inequality.

Employee-owned Businesses

Current Landscape

4.23 The EO Knowledge Programme 2023: People Powered Growth report (Employee Ownership Association, 2023) points to the introduction of the new Employee Ownership Trust Model in 2014 as a key activator of the rise in employee-owned businesses. The Co-operative and Mutual Economy 2023 report (Co-Operatives UK, 2023) details an increase of 37.7% in the number of employee owned businesses in just 12 months.

4.24 Co-operative Development Scotland commissions a biennial census exercise focusing on co-operatives and employee-owned businesses (Co-operative Development Scotland, 2024). The most recent census was undertaken in February and March 2024.

The census reported that as of March 2024, there were 286, employee-owned businesses operating in Scotland, comprising of 177 Scottish registered employee-owned businesses, 25 Scottish registered workers' co-operatives and 84 EOBs with trading or production operations in Scotland but registered elsewhere. (Co-operative Development Scotland, 2024)⁶.

It also revealed that Scottish registered EOBs and worker co-operatives have a combined turnover of £1.64 billion and employ 7593 people. This is a 113% (£752m) increase in turnover and a 42.5% (2265) increase in employment since the 2022 census.

⁶ These figures will now be an underestimate of the current position as businesses continue to report transition to employee-owned status.

4.25 The EO Knowledge Programme 2023: People Powered Growth report (Employee Ownership Association, 2023), states that employee-owned businesses are succeeding in many sectors of the economy. The sector grew by over 30% in the last 12 months and at an annual average rate of 16% compared to 2.2% in all active companies in the UK between 2011 and 2023, reporting a sector of over 1650 businesses in the UK in 2023.

The research shows that employee owners are 8-12% more productive, making more money and doing more to recirculate that wealth in the economy by creating more jobs and investing in improving their products and services. Employee-owned businesses are shown to invest more in employee wellbeing, training and flexible working, paying out twice as much in bonuses and dividends to employees, while being 5 times less likely to make them redundant.

In terms of economic contribution employee-owned businesses make up 0.1% of businesses but are shown to drive 0.8% of direct GVA and 1.7-2.1% of overall economic activity, which equates to £32-£41 billion in GVA.

4.27 To illustrate the importance and impact of local employee-owned businesses, the Auchrannie Resort, founded in 1988 became an employee-owned business in 2018, supported by both Highland and Islands Enterprise and Co-operative Development Scotland. In terms of economic impact for the island of Arran, the resort has 45,000 overnight visitors per annum, maintaining an 85% occupancy rate all year round, employs 10% of the islands working age population and saw a 30% increase in turnover since employee ownership.

The Future

4.28 The Scottish Government has committed to increase the number of employee-owned businesses operating in Scotland to 500 by 2030 (Scottish Government, 2021). As detailed above, the latest census, reported an increase from 195 EOBs operating in Scotland in the 2022 census (Co-operative Development Scotland, 2022) to 286 in the 2024 census (Co-operative Development Scotland, 2024). This shows growth of 91 companies, if this trend continues it is expected that the 500 target will be met. The Employee Ownership Leadership group is committed to working closely with public sector partners to create the conditions required for growth in the sector, and this review believes that this should be a minimum, with clear and higher targets set.

4.29 Government and policymakers should work closely with the employee-owned sector to build on the shared policy priorities as articulated on the EOA Policy webpage (Employee Ownership Association, 2024) and which feature in the EOA Manifesto (Employee Ownership Association, 2024), to ensure purposeful and meaningful engagement continues.

4.30 The EO Knowledge Programme 2023: People Powered Growth report (Employee Ownership Association, 2023), points to key actions that should be taken to build on the foundations their research articulates, calling for proactive interventions to support the growth of the sector. The calls to action focus on Investors and providers of finance, policymakers and political decision makers, education and trade bodies and business owners and entrepreneurs.

5. Recommendations

5.1 Overarching and Enabling Recommendations

Issue: Inconsistent recognition of IDBMs within the Scottish Economy and Strategy.

5.1.1 National, regional and local economic strategies, and activities of key economic agencies, have not consistently placed IDBMs and wider business purpose considerations at the centre of Scotland's economy. As such the role, status and power of economic democracy and IDBMs has not reached its full potential, commensurate to other countries.

5.1.2 Moving forward, the role of IDBMs needs to be more explicitly articulated within economic strategies and the work of relevant agencies so that the benefits of these business models for both employees and wider society is realised. Economic transformation and the achievement of a prosperous, innovative and dynamic economy will be assisted by clear targets to drive a significant increase in the numbers of social enterprises, co-operatives and employee-owned businesses and the wider adoption of social and environmental purpose amongst non IDBM businesses.

1. Recommendation: IDBMs should run through Scottish economic thinking and strategy as a central golden thread.

To achieve this golden thread there is a need to develop clear positioning of IDBMs within economic strategies, and agencies tasked with those strategies, which advocate the type of economy we want and role of IDBMs in that. This requires a deliberative and deeply intentional mainstreaming within economic agencies and the broader enterprise landscape.

To support this to be achieved, we believe there has to be a new statutory duty on key national bodies including Scottish Government, Enterprise Agencies and Scottish National Investment Bank (SNIB). This duty would include elements contained within a number of other recommendations.⁷

The duty would assist the growth of IDBMs. This could be within sectors that lend themselves to these approaches for example tourism, retail, renewables and manufacturing, and include increasing the trading capabilities of the Third Sector⁸.

⁷ This includes recommendations 6, 9, 10, 11, 13 and 16.

⁸ Recent impact of the Scottish Government funded [Accelerate programme](#) run by Community Enterprise (CE) showed that 23% are now trading and a further 19% are planning to. Indicating a growth and potential future growth in trading by the Third Sector.

The duty would require explicit detail on :

- a. Actions which assist IDBMs to be created and support for existing businesses to grow.
- b. Actions which assist existing businesses to transition to an IDBM, supporting succession planning.
- c. Accurate recording of data relating to IDBMs.
- d. Co-production of actions to support the IDBM sectors.

This golden thread and duty would part assist in achieving the overall target of having 3 in every 50 businesses as IDBMs by 2034.

2. Recommendation: Establish an ‘Economic Democracy’ group.

There is a need for a strong coherent and joined up voice for enterprises operating as an IDBM and secure links to other crucial policy agendas such as CWB. An independent champions group should be established to:

- Lead the Strategic Objectives as laid out in our Vision and the change we would like to see.
- Work with key groups, for example Business Purpose Group, to raise awareness and promote the creation of IDBMs.
- Establish baseline and agree key targets.
- Oversee the implementation of the recommendations in this report, including playing a key advisory role in setting up a Centre for Excellence for IDBMs (see recommendation 8).
- Act as a reference point, advocate for and the voice of IDBMs.

This group should be a partnership with members drawn from key stakeholders, relevant businesses, representatives from support bodies and Scottish Government. Thought should be given to the role of current groups and consideration should be given as to how the ILG for Employee Ownership evolves to encompass the wider remit posited here. As with the ILG the Review Group recommend the Economic Democracy group be chaired by a Government Minister, with an established secretariat.

3. Recommendation: Investment in data and evidence on IDBMs is required to support policy and service design.

There is a need to ensure that we have robust data on the number of enterprises operating currently as an IDBMs and that this data is available at appropriate levels, national, regional and local to ensure effective and evidence-based policy decisions are taken to support the aims of this review. This will support the building of a consensus, measure the impacts of different models and support the standardisation of measuring progress and impact. This would be a key role for the Economic Democracy Group and Scottish Government going forward, learning from other nations in Europe and beyond who have been gathering this type of data over a number of years.

5.2 Awareness, Training, Advice and Support

Issue: Lack of strong narrative and communication in promoting the sector.

5.2.1 The general perception is that in wider society there is a lack of awareness of co-operatives, social enterprises, employee-owned businesses, BCorps, ethical businesses, community owned enterprises and wider economic democracy. They are too often seen as exceptional or marginal to wider economic success. To support awareness raising, there is a need to promote the benefits of more IDBMs including robust data on the number of enterprises operating currently as an IDBM.

4. Recommendation: National awareness raising and training programme.

There is a need to promote and normalise IDBMs and economic democracy establishing understanding amongst funders, procurement and commissioning departments, business support, economic development and wider society to stimulate citizen participation. Awareness raising and training is required at differing levels for all actors for example Local Government officers, financial institutions, policy makers, and business support advisors. This is a key role for Scottish Government, its agencies, the Economic Democracy Group and the Centre for Excellence.

5. Recommendation: Widen scope of existing business awards to include all forms of IDBMs.

This would increase visibility of IDBMs and support further promotion which is necessary to facilitate growth and sustainability. Scottish Government should promote, support and celebrate existing award schemes, and ensure that awards are integrated and recognise the nuances of the different business models. This would be a task for the Economic Democracy group to explore and action.

Issue: Inadequate ambition in promoting and supporting IDBMs.

5.2.2 There is a perception of a lack of knowledge and expertise within economic development departments and public and private business support services of the different business models available and the benefits of engaging with these enterprises. This creates an operating environment in which business support tends to focus on supporting more traditional “for profit” business models (Stir to Action, 2021), making the operating environment for IDBMs more challenging. The literature demonstrates that successful approaches involve pre-technical support as evidenced in Canada (Adeler, 2014), India (Ghosh, 2007) and across Philadelphia and the USA (Dickstein, 1988, Gamson and Levin, 1984).

6. Recommendation: Ensure that outreach, awareness raising and pre-technical IDBM development is available.

Support agencies should build on existing effective outreach, awareness raising and pre-technical development activity to ensure communities, potential entrepreneurs and existing businesses explore IDBM options at critical junctures. For example, agencies should adapt Co-operative Development Scotland’s successful approach to helping SMEs explore

employee ownership as part of succession planning. In addition, at the pre-technical stage, support should widen awareness of IDBMs within communities to support the inclusion of marginalised groups to benefit from the creation of and greater sustainability of these enterprises. This is a key task for the enterprise agencies and wider support organisations.

7. Recommendation: Further and Higher Education Anchor organisations take a key role in promoting IDBMs.

There is a need to raise awareness with different actors across our education system to inform young and emerging entrepreneurs of the different business models available. This should include relevant educational curricula, learning and guidance for young people and adult learners, including in schools, colleges and universities. The existing Social Enterprise Schools and other local activity could be widened and strengthened.

Activity should align with the recommendations of the Entrepreneurial Campus Report (Scottish Government, 2023), which includes actions to advance national services offerings as regards developing social entrepreneurship and harness the power of innovation pathways to develop high quality spin outs. As anchor organisations we would like to see our Further/Higher Education institutions with the support of the Scottish Funding Council take forward their role in supporting the development, growth and success of inclusive and democratic business models.

Issue: Complexity of and lack of support and resources for bespoke advisory services.

5.2.3 There is a perceived complexity in the support of IDBMs with a lack of strategic and support oversight which would create clarity for individual IDBMs. The existing specialist ecosystem can be difficult to navigate, often provides only partial cover, and can leave many IDBMs ‘falling between two stools’. Furthermore, there is a shortage of bespoke business support that caters to the distinctive features of IDBMs.

5.2.4 For example, the Scottish Co-operatives Consultation results (Co-operatives UK, 2022) stated “56% of co-operatives surveyed told us that Scottish Government’s schemes only cater to them to a limited extent, while another 28% said schemes did not really cater to co-operatives at all.”

5.2.5 The existing specialist ecosystem is also under resourced to deliver on the potential IDBM growth that could be stimulated by the NSET and CWB agendas in Scotland.

8. Recommendation: The Economic Democracy Group should develop a clear action plan to create an effective and extensive ecosystem, possibly in the form of a Centre for Excellence, providing support for IDBMs.

The eco-system should be strategically coordinated and resourced to support our ambitions. This could be developed according to these key principles, whilst recognising the unique needs and aspirations of each IDBM:

- Deliver a detailed analysis of the current landscape which supports the differing customer journeys, including existing barriers and gaps that hinder the growth of IDBMs;
- Greater joining up of elements that make up IDBMs, for example, extending the existing Social Enterprise Support Map (Community Enterprise, 2019) to link with the Scottish Entrepreneurial Support Guide (Scottish Enterprise, 2023);
- Support should be tailored to the needs of the organisation and their unique circumstances. This should include current programmes which are successfully supporting enterprises to start up and grow;
- Offers 'pre-technical' support (outreach, training, exploration) to communities, potential entrepreneurs and businesses, as well as technical business support (business plans, structures, finances);
- Services should be co-produced and co-delivered with the IDBM sectors;
- Support programme is nationally coordinated and funded, but often locally/regionally delivered;
- Utilises existing peer support as well as professional consultancy;
- Use existing organisations such as community organisations, trade unions, Chambers of Commerce and FSB to promote and raise awareness of IDBMs; and
- Harness existing funding initiatives to promote different ownership models.

5.2.6 We require a support eco-system which is simple and avoids duplication. The system and the actors within it should be tasked with maximising the creation and growth of IDBMs.

9. Recommendation: Streamline existing public resources.

Scottish Government should ensure that the existing eco-system is more coordinated and streamlined with greater targeting of resources to support IDBMs:

- ensure that all 'front-end' business support providers contribute to the provision of 'pre-technical' support for IDBM development by supporting entrepreneurs to explore IDBM options and signposting to specialist support when appropriate;
- ensure that, by default, Scottish Government schemes to support university spin-outs include pathways for IDBMs; and
- utilise the financial, social and knowledge capitals within the IDBM sectors and Scottish communities to co-produce services that meets need and maximise use of funds.

5.3 Finance and Funding

Issue: Not enough funding and issues with access.

5.3.1 A number of recent research papers and engagement with social enterprises, co-operatives and employee-owned businesses have highlighted accessing finance as a key issue (ILO, 2019; Adebowale Commission. 2021). IDBMs often have ownership and governance structures that require different relationships with external equity investors. New and growing IDBMs often have a distinctive approach to raising finance that neither the market nor Scottish Government interventions adequately cater to.

10. Recommendation: Map the current provision of support, identifying and assessing gaps in support.

The provision of finance and advice throughout the life cycle of enterprises is crucial. We should support the creation and the transitioning of existing businesses. This could be supported by leveraging the resources of SNIB, social investment providers and democratic finance vehicles. This is a key area for the Economic Democracy Group working with relevant partners to progress.

11. Recommendation: Grow the role of the Scottish National Investment Bank (SNIB) to intentionally and specifically support IDBMs.

Alteration of SNIBs purpose should be considered to invest in social enterprises, co-operatives and employee-owned businesses. SNIB should address clear market failures in IDBM financing especially in relation to:

- Wholesale investment in the community shares market, alongside communities themselves, creating a Scottish version of England's successful Community Shares Booster Fund;
- Growth capital for ambitious IDBMs, and equity in particular;
- Financing the transition of existing viable businesses to an IDBM approach;
- Work in partnership with social investment providers and democratic finance providers, to achieve the aims of NSET and this review; and
- A target for support to IDBM business models to be explored by the Democratic Economy Group.

12. Recommendation: Consider extending the role of social investment and democratic finance providers (for example Social Investment Scotland, Scottish Communities Finance) to cover all enterprises operating with an IDBM.

By utilising all their knowledge and expertise in supporting social and community enterprises, we could enhance the support offer for employee-owned businesses and co-operatives, and be complementary, to the advisory support CDS provides. Explore options to adapt other forms of small business lending such as non-profit CDFI's and social investment models like community shares provide.

5.4 Policy and Legislation

Issue: Inconsistent policy support for IDBMs.

5.4.1 As discussed in our overarching and enabling recommendations there is a need to be consistent in our aims for IDBMs within our policies and strategies. In addition, there is a sense from those representing IDBMs of sometimes ‘having to fight to be heard’ or that they are perceived as second best to international PLC’s or traditional Scottish firms. Institutional support at local level can be inconsistent despite many sympathetic councils, councillors and policy teams. The Stir to Action 2021 report discusses the lack of political support or skills to ensure meaningful partnerships are present in the economic or business teams of these councils. This results in the support to democratic business being viewed as supplementary to existing business support programmes. This must be addressed. In terms of policy formulation, development and implementation. We must consider ways in which the IDBM sector is more readily and universally recognised as core to Scotland’s economic aspirations.

13. Recommendation: Promote IDBMs and economic democracy within Economic Development and with grant givers, procurement and commissioning professionals within the public, private, third and community sector.

Scottish Government and other key actors within the economic development need to establish greater understanding of IDBMs amongst business support, economic development, procurement and commissioning, and policy professionals. There must be provision of training for Scottish Government and public agency officials who set policy, draft legislation, allocate contracts and funding, and design programmes.

Issue: Discrete policy and legislative changes are required to grow IDBMs.

5.4.2 Support is required to stimulate the creation of IDBMs and increase their role within the economy. Through public sector commissioning and procurement activity, there is an opportunity to calibrate policy and guidance better and thus ensure that community benefit and impacts upon economic, social, and environmental priorities (Wessels and Neil, 2016; DEAL, 2023) is more readily realised by IDBMs.

14. Recommendation: Amend the existing Sustainable Procurement Duty to facilitate the participation of IDBMs.

Additional guidance could be provided to support greater participation of IDBMs in public supply chains. In addition, Scottish Government should look to investigate planned changes in UK procurement legislation to allow geographical limits to be applied and the ability to “reserve” contracts for SMEs and/ or social businesses to establish if similar changes would be beneficial in the Scottish context. Significant work is underway including changes to data capture on social enterprises within the procurement portal. This should be built upon. The Economic Democracy Group should establish the current baseline and establish if a target for public spend with IDBMs would be beneficial.

15. Recommendation: Consider extending Scottish right to buy legislation to IDBMs.

This particularly relates to co-operatives comprised of groups of workers who should be given the right to buy premises and related assets when these are up for sale by their employer as part of divestment or liquidation. There is learning to be had from experiences of existing right to buy approaches for example the Italian experience (Vieta, 2015). This extension should ensure that relevant support is available during any transition period and beyond to ensure success as described in Recommendation 8. The Review Group call on UKG and SG to work collectively on this issue.

16. Recommendation: Explicitly weave contribution and value of IDBMs into relevant economic indicators.

IDBMs need to be able to demonstrate better, more compelling evidence of value in relation to “traditional” economic measures (including productivity, innovation and resilience) alongside existing measurement frameworks, for example, the Wellbeing Economy Monitor and National Performance Framework. All types of business, particularly social enterprises, co-operatives and employee-owned businesses, should be supported, with government, local authority and other sources of funding, to drive forward clear, transparent and robust social impact measurement.

17. Recommendation: UK and Scottish Government to explore potential tax relief, work with the financial sector and instigate other legislation to support the creation and sustainability of enterprises operating an IDBM.

The fiscal context within Scotland’s economy is important to the growth of IDBMs. Changes which afford greater tax flexibility to the sector would assist in delivering the wider social, local economic and environmental benefits that IDBMs are so readily adept at delivering. There is a need for further work to be completed on the replacement for Social Investment Tax Relief as promised. In addition, support should be given to remove barriers and support access to financial services for IDBMs for example a Fair Banking Act.

The Community Investment Tax Relief (CITR) aims to grow CDFI’s who specialise in providing finance to social and community enterprises by making investment into CDFI’s more attractive. Investors can get 25% tax relief over 5 years for investment into CDFI’s. More needs to be done to highlight this tax relief in order to bring more local investment into the IDBM space.

6. Conclusion

6.1 As we state in the vision *the growth of IDBMs, economic democracy and business purpose more broadly must be explicitly acknowledged and supported as a catalytic core at the heart of Scotland's future economy.*

6.2 The Review Group are aware that a fossil fuelled economy has prompted a climate crisis and we need to transition. We believe that growing IDBMs and economic democracy is a key aspect of that. IDBMs have an intrinsic dynamic capability to aid economic transformation, distribute wealth, support workers and communities and work in purposeful ways that serves people, place and the environment.

6.3 Therefore, by raising awareness and reviewing the current policy and legislative landscape to identify inhibitors, increasing support, finance and training, we can transform our economy and support the achievement of our economic ambitions. A strong economy in which prosperity and economic success is felt in every community and region across Scotland.

6.4 In this report we celebrate many good things that are already happening, whilst developing recommendations that seek to challenge and creatively disturb. In this we recognise that many supportive policies are already in place, but we need to improve. We acknowledge that progress is being made, but we must, like other countries, go faster and we know that many agencies are doing good work, but they can do even more.

6.5 In creating a unified sense of purpose, we support the New Deal for Business Group report (Scottish Government, 2023) which concluded that by encouraging and supporting businesses to be aware of and advance business purpose Scotland will help deliver a more prosperous, resilient and socially inclusive economy. We agree and by placing IDBMs more at the forefront we can both aid delivery and work alongside all businesses to advance this purpose.

6.6 In actioning these recommendations, the establishment of an Economic Democracy Group to oversee implementation is a key first step, and should be supported by Scottish Government. Without this group oversight, the Review Group have identified the risk that the recommendations may not be wholly implemented, meaning we will not realise our ambitions for a fairer, greener, more inclusive economy in Scotland.

6.7 A key element of the initial work of the proposed Economic Democracy group will be to take this report and its recommendations further by developing a robust action plan. This Action plan would not only take forward the specific recommendations but also support the wider adoption of the recommendations of the Business Purpose Commission Report and achieve the NSET ambition to create financially sustainable enterprises which provide additional wellbeing outcomes for Scotland.

6.8 In addition to the Economic Democracy Group this work needs to be supported with people, capacity and resource. Often times recommendations and the resultant change is not fully completed, or at all, due to a lack of resources or the presence of

champions driving the required actions. All members of the Review Group including the Chair are willing to take part in this endeavour, but would need support from Scottish Government and/or enterprise agencies.

6.9 To adopt this suite of 17 recommendations would be a game changer in advancing a Scottish economy that is prosperous, innovative and dynamic. By increasing the number and role of IDBMs there would be a new landscape of Scottish Business characterised by a plurality of ownership forms which would create an economy which is more dynamic, resilient, just and inclusive.

7. Annex A: Group Members

Name	Role/ Organisation
Neil McInroy	Review Chair, Global Lead for Community Wealth Building at the Democracy Collaborative and Chair of Economic Development Association of Scotland
Alastair Davis	Chief Executive Officer, Social Investment Scotland
Chris Martin	Chief Executive, Social Enterprise Scotland
Duncan Thorp	Policy and Communications Manager, Social Enterprise Scotland
Darah Zahran	Team Leader - Inclusive Models and Co-operative Development Scotland
Isabella Miller	Co-Chair of Scotland for Employee Ownership
James de le Vingne	Chief Executive, Employee Ownership Association (EOA).
James Wright	Policy Development Lead, Co-operatives UK
John Housego	Managing Director of Aquascot and representative for Scotland for Employee Ownership
Kate Musgrave	Head of Enterprising Communities, South of Scotland Enterprise
Margaret McSporrán	Head of Social Enterprise Development/ Resilience Manager, Communities and Place Directorate, Highlands and Islands Enterprise
Martin Avila	Chief Executive, Community Enterprise in Scotland
Professor Michael Roy	Professor of Social Innovation and Sustainable Organisations, University of Stirling
Pauline Smith	Chief Executive, Development Trust Association Scotland (DTAS)
Sam Blakeborough	Policy and Partnerships Officer, Employee Ownership Association
Sarah Deas	Visiting Professor, Hunter Centre for Entrepreneurship, University of Strathclyde and Co-founder, Wellbeing Economy Alliance (Scotland)
Tom Lloyd-Goodwin	Director of Policy and Practice, Centre for Local Economic Strategies (CLES)

Other attendees

- Scottish Government officials attended meetings as secretariat support and observers.
- In some meetings organisations were represented by colleagues. They are as follows:
 - Clare Alexander, Head of CDS, Scottish Enterprise
 - Kim Wallace, Deputy CEO, Social Enterprise Scotland
 - Naomi Mason, Senior Researcher, CLES
 - Sharon Ogilvie, Enterprising Communities Manager, South of Scotland Enterprise.
 - Jan Pringle, Enterprising Communities Manager, South of Scotland Enterprise.

8. Annex B: Current Support Landscape

Sources of advice and support for SEs:

- Social Enterprise Scotland provide advice regarding starting and funding an SE (Social Enterprise Scotland, 2023).
- Just Enterprise a nationally managed programme delivered locally by a consortium of partners provides dedicated business support and offer one-to-one advice sessions and training for start-ups and established social enterprises (Just Enterprise, 2023).
- Highlands and Islands Enterprise (HIE) fosters the ambitions of our businesses including community anchor, social enterprises and other organisations, co-ops, employee ownerships and social enterprises (Highlands and Islands Enterprise, 2023). HIE use and innovate the support mechanisms available to entities and community-led organisations by offering assistance in the following areas: through a client management approach with a focus on a just transition to net zero and adoption of fair work, they provide one off interventions where impacts can be demonstrated i.e. access to advice, specialist knowledge (inc. scaling, innovation, digital, leadership skills etc.) and networking. HIE aligns its activity and deploys tailored discretionary resources to create economic and social impact in Places that can be sustained and measured effectively.
- South of Scotland Enterprise (SOSE) provides tailored enterprise support to organisations and individuals in Dumfries & Galloway and the Scottish Borders who want to drive social and transformational change, develop new services and markets, and become sustainable and resilient (South of Scotland Enterprise, 2023). SOSE support projects with a strong focus on Place, community engagement, and partnership working and that have Net Zero, Fair Work and CWB principles clearly demonstrated. SOSE seeks to support projects that align with and deliver on the strategic aims of SOSE, NSET (Scottish Government, 2022), the Regional Economic Strategy, and the Social Enterprise Action Plan (Scottish Government, 2021). The services they offer include business development advice, specialist expertise, capacity building, intensive support to recover and pivot during and after crisis, sectoral signposting and referral, funding through grants and loans.
- [Scottish Enterprise](#) (SE) is Scotland's national economic development agency and a non-departmental public body of the Scottish Government. It supports businesses to innovate and scale to transform the Scottish economy by focusing on new market opportunities through targeted investment, innovation and internationalisation.
- Firstport offer advice, training and funding for social enterprises (Firstport, 2023).
- Social Investment Scotland provide social loan finance and business support to social enterprises and charities across Scotland. (Social Investment Scotland, 2023).
- Development Trusts Association Scotland (DTAS) provides advice to community-led enterprises on start-up, governance, strategic development, expert help and one-to-one advice (DTAS, 2023).

- Community Shares Scotland (DTAS) & Scottish Community Finance (Scottish Communities Finance, 2023) provide support on democratic finance including tailored advice, training and micro grants on shares, bonds and other citizen investment opportunities (Community Shares Scotland, 2023).
- [Find Business Support.gov.scot](https://www.findbusinesssupport.gov.scot) single-entry point for public sector business support in Scotland

Sources of Support and Advice for Co-operatives and employee-owned businesses:

- Co-operative Development Scotland's (CDS) remit is to raise awareness of the value of co-op and employee ownership models and provide specialist advice. Its services are integrated to those of Scottish Enterprise, Highlands & Islands Enterprise and Business Gateway. CDS offers a range of advice and services to both start-ups and existing enterprises, including free masterclasses and one-to-one support (Scottish Enterprise CDS, 2023).
- [Scottish Enterprise](https://www.scottishenterprise.gov.uk) (SE) is Scotland's national economic development agency and a non-departmental public body of the Scottish Government. It supports businesses to innovate and scale to transform the Scottish economy by focusing on new market opportunities through targeted investment, innovation and internationalisation.
- Co-operatives UK is the representative body for offering support for co-ops to start up and thrive – they offer expert advice, and access to events and training (Co-operatives UK, 2023). They also work with DTAS/CSS in the setting up of Community Benefit Societies in Scotland.
- Employee Ownership Association (EOA) represents the employee-owned sector in the UK (Employee Ownership Association, 2023). They look to support businesses to explore and progress their employee-owned business helping to unlock the potential of employees, business and the economy. They advocate on behalf of their members to promote employee ownership and its benefits.
- EOA is the UK's trusted expert on employee ownership (Employee Ownership Association, 2023). They provide a platform for members to network with peers in the employee ownership sector, share experiences, and learn best practice through events, training and their online community.
- [Find Business Support.gov.scot](https://www.findbusinesssupport.gov.scot) single-entry point for public sector business support in Scotland

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