# a social economy in scotland

Summary

This Note sets out a framework for a unified Third Sector or Voluntary, Community and Social Enterprise Sector (VCSE) - often called the Social Economy - offering a community focus during and after COVID and climate change. The integration of various third sector structures is needed at a time when dispersal of Scottish Government Ministerial responsibilities run the risk of reducing their overall effectiveness and contribution.

Above all, for Scotland this cannot be the kind of mainstream or routine economic recovery of the 1970s, 1990s or after 2008. For local communities, COVID and climate change demand a totally different approach.

## Introduction

Much of the UK and Scotland’s approach to third sector policy development continues to be dominated by the market. This Note advocates the enhancement of a distinct concept for Scotland’s Voluntary, Community and Community Enterprises as a sector in its own right – the social economy.

It is unfortunate that much of the third sector is seen by many as a) a mechanism for delivery of lower cost public services and b) a way to reduce public expenditure. There is no doubt that the need to reduce public spending framed much of John Smith’s Social Justice Commission in 1994 and the Christie Commission Report in 2011. During the 1970s, at the end of Post War Keynesianism, North America and mainland Europe followed different paths. The UK mainly followed North America. Marketisation of North American non profits under Ronald Reagan and George HW Bush “thousand points of light” polices coincided with Margaret Thatcher and John Major expansion of quasi market public service delivery. For the UK this was followed by the proposal in the Deakin Commission in 1996 of a Concordat, with government contracts with the voluntary sector for service delivery, followed by the beginning of marketised social enterprise under 1997 and 2001 New Labour Governments. During this period, much of the wider third sector was re institutionalised to deliver services.

Boltanski and Chiapello describe the UK position (Boltanski & Chiapello, 2005, p. 178):

“The history of Great Britain is a very different one, having been marked by the Thatcher revolution. Indications are that different organisational models and spirits of capitalism will ultimately prevail in each of these two countries: that they will be more market-oriented in Great Britain (in the sense that our justificatory regime analysis lends to this term); and more “connectionist” in France”.

There were major differences between the UK and France. “In France, the contemporary (as of the 1980s) re-emergence of the social economy as ‘social and solidarity economy’ is narrowly linked to the reaction against neoliberal principles and individualist ideology” (Moulaert & Ailenei, 2005, p. 2041) For the UK, the term social economy is of relatively recent currency. Its meaning is still evolving and is susceptible to many often-contradictory interpretations (Pearce, 1999, p. 2; Amin et al., 2003). (Moulaert & Ailenei, 2005, p. 2043).

Significant encouragement for New Labour’s social enterprise market structures was given by the think tank Demos in 1995 (Mulgan, Landry 1995). Much of “The Rise of the Social Entrepreneur” often claimed as a ‘founding document’ for UK social enterprise, represented an argument for welfare reform (Leadbeater & Christie, 1999, p. 9):

“In the post-war era the growth of the welfare state was seen by most people as a symbol of social progress. No more. The welfare state is widely criticised for being inflexible, slowing moving, bureaucratic, dehumanising and disempowering”

“The case for welfare reform seems unsurmountable. Governments across Europe are chipping away at entitlements built up since the war” (Leadbeater, 1997, p. 17). His recommendations include a private sector focus (Leadbeater, 1997, p. 78):

"Helping to promote social entrepreneurship would be an obvious way forward for the private sector. Not only would the private sector – both large and small companies – have skills to offer, but companies would also stand to benefit from the lessons of entrepreneurship that would emerge from their social partners.

Leadbeater sought a return “to the voluntaristic tradition of welfare innovation”, of which the eighteenth and nineteenth century was the heyday (Leadbeater, 1997, p. 20). His welfare arguments led to policy and institutional developments between 1998 and 2002 for funding the third sector, many of which are still in place in the UK and Scotland.

From the beginning there were doubts about the effectiveness of these policies. To assist in this delivery of services, the Department of Environment, Transport and the Regions (DETR, 1998a) estimated that there were as many as 450 social enterprises currently in the UK, with a combined turnover of £18mn (Amin et al., 1999, p. 2035). But these organisations were limited in their potential. Without changes in their funding arrangements, the social economy offered few prospects for becoming economically independent of the state. So called ‘ghetto economies’ can do little more than ensure the short-term recirculation of grant funding and the limited disposable income available to local people(Amin et al., 1999, p. 2044)*.*

Despite exposing the limitations of this approach, continued UK reliance on North American precedents resulted a narrow interpretation of policy development from New Labour onwards.

Many academic and other interpretations of third sector and social enterprise development rarely mention alternative social and solidarity economy approaches to deindustrialisation, job losses and the development of third sector policy, especially in France and Quebec.

But once Scotland achieves independence, with complete control over labour market, social welfare and employment support spending, Scotland’s third sector will be able to re examine approaches which have succeeded elsewhere. During a period of post COVID regeneration and to overcome ongoing dramatic climate change, Scotland’s third sector could become a non public and non market sector in its own right, playing a positive role, especially in supporting Scotland’s poorest communities.

Especially, following previous reliance on North American market models, alternative cooperative, mutual and community structures in mainland Europe and Quebec have been neglected. For Scotland, this Note examines the different possible conceptual interpretations for the third sector, the social economy and social enterprise.

## The Need for a Scottish Narrative

The emerging subordinate role for the third sector in the 1990s, much of which still prevails in Scotland, was further questioned at that time by Ash Amin. The government’s approach seemed to be that the social economy should serve as a “subordinate, intermediary, partner of the mainstream private sector economy and as a means of passing responsibility for certain aspects of welfare and regeneration out of the public sector” (Amin et al., 1999, p. 2048). A growing emphasis on “commercial success within the social economy will make matters work as individual organisations are forced by market pressures to neglect or compromise their social objectives” (Amin, 2009, p. 46). Since “the 'mainstream economy' is unlikely to return in any meaningful way for the foreseeable future… the social economy must act as a permanent alternative to the mainstream economy” (Amin et al., 1999, p. 2035).

Though Amin was writing twenty years ago, his concern about services outsourced to the third sector without adequate funding is still relevant for Scotland during COVID in 2021. Scotland’s potential for third sector as a permanent alternative to the mainstream economy is elaborated throughout the remainder of this Note.

## Scotland’s Third Sector

Many of the components for a creative and positive Scottish social economy advocated in this note already exist. SCVO’s “State of the Sector 2020” gives latest estimates of the size and contributions from Scotland’s third sector (Scottish Council for Voluntary Organisations, 2020). There are around 40,000 voluntary organisations in Scotland, with 19,886 of these being regulated in various ways, with £17bn in assets. 2018 estimates showed 108,000 paid staff and 1.4mn volunteers, with £6.06bn income and £5.7bn expenditure. There are 24,832 Charities on the Scottish Charity Register.

4 out of 5 charities are local and work at a local level, with the largest number, 11,402 with less than £25,000 income. Two thirds of sector income is earned rather than voluntary. There are 89 Credit Unions, with 357,000 members.

The latest Scottish Social Enterprise Census 2019 (Social Value Lab, 2019) shows 6,025 social enterprises which follow the Voluntary Code of Social Enterprise in Scotland, with 88,318 employees and adding £2.3bn to the Scottish economy. 75% are incorporated. In the last two years there has been a 60% growth in Community Interest Companies, most as companies limited by guarantee without share capital. 72% of social enterprises are also registered charities. 69% are led by and accountable to their neighbourhood or community and 81% involve employees in decision making. 17% of social enterprises are located in Scotland’s 20% most deprived communities. However, 79% did not bid for contracts in the last twelve months, with 56% proclaiming insufficient capacity, capability or experience to deliver. Though 8% have an income between £1mn and £5mn (mostly Registered Social Landlords) 42% have an income of less than £49,000 with a further 13% between £50,000 and £99,000. So, 55% have an income of less than £100,000.

Though there is some double counting in these two estimates, these estimates show that the combined turnover, GVA and employment of Scotland’s third sector in some regions rivals sectors like the food and drink and creative industries. Scottish Government statistics (Scottish Government, 2021c) show that in comparison December 2020 employment Food and Drink Sector was 122,000. Total 2018 turnover was £14.9bn and 2018 GVA £5.5bn. Creative Industries including digital employ 90,000 in 2019, with turnover of £8.3bn and GVA £4.6bn. For Scotland’s Sustainable Tourism sector, employment in 2019 was 229,000, turnover was £7.7bn and GVA £4.4bn. Though for the UK as a whole, DCMS Economic Estimates show that Civil Society GVA in 2017 was £23.5bn (Department of Digital, Culture, Media and Sports, 2018, p. 6), as measured by ONS, this excludes mutuals, social enterprises and community interest companies and is thus a serious underestimate.

Just as important are other components parts of a Scottish Social Economy which already exist. The SNP’s pre Election ‘Social Justice and Fairness Commission’ in March 2021, chaired by Shona Robison MSP, reported on initiatives across Scotland’s community landscape which creates an impression of Scotland as an advanced participative society (Social Justice and Fairness Commission, 2021, pp. 12, 13, 14, 15, 17, 18, 19, 34):

* Participatory Budgeting
* a Citizens’ Assembly
* Community Empowerment
* the Scottish Land Commission
* Scottish Food Commission
* a Public Sector Equality Duty and
* numerous reference groups, including the Coalition for Racial Equality and Rights, an Expert Reference Group on COVID 19 and Ethnicity, various Disability Alliances and an abundance in Self Directed Support initiatives

However, despite these recent bold declarations for more community involvement and empowerment, much of this remains disaggregated and less effective.

Meanwhile, there are worries about the Scottish Government’s latest Social Enterprise Action Plan 2021-2024 (Scottish Government, 2021a) on which many have commented that social enterprise in Scotland has almost run its course. The March 2021 Third Sector Growth Fund instalments included the designation of prominent social enterprise intermediaries to deliver a substantial £15mn Social Catalyst Fund and £10mn Circular Economy Fund, both using financial transactions capital programmes not used in Scotland before, and a £5mn Social Impact Venture Portfolio for ‘mission driven businesses’ (Scottish Government, 2021b). Despite ample ongoing evidence from organisations ranging from Big Society Capital to Big Issue Invest of delivery difficulties to smaller organisations under programmes offering on loans and external investment, these form the basis of the Scottish Government’s latest third sector programmes. In England, it was found that even following a Cabinet Office funded £15mn Impact and Contract Readiness Fund to promote external loans and investment made little headway with smaller organisations. “(T)he VCSE market is further from being investment ready than was envisaged. As one provider described, contract readiness is a ‘step up’ for ventures, whereas investment readiness is a complete ‘step change’” (Ronicle & Fox, 2016, p. 23).

## What has been overlooked?

Throughout academic and other contributions in the UK and Scotland, a range of alternative European interpretations on the role of the third sector have been excluded, from the Regulationist Approach of Aglietta ( Aglietta, 1979) and Lipietz (Lipietz, 1989b) to Boltanski and Chiapello (Boltanski & Chiapello, 2005). Especially, numerous contributions by Alain Lipietz include specific reference to the third sector (Lipietz, 1988, 1989a, 1997; Lipietz et al., 1990, 1996; Lipietz, Alain & Jenson, Jane, 1987). Between 1999 and 2009 Lipietz was a French Green Member of the European Parliament, with his contributions freely available in English. He also made presentations in London. “So, maybe, if you subsidise a kind of semi-private, semi-voluntary, semi-natural community-based sector, maybe you could produce goods and services at a price that the community could accept. And this is the idea of a third sector” (Catterall et al., 1996, p. 88). His major report in 2000 on a social economy to Martine Aubry as the French Minister of Employment and Solidarity is described below.

Throughout mainland Europe there have been numerous reports on a social and solidarity economy (Eynaud et al., 2015; Fecher & Lévesque, 2008; Laville, 1996, 2010, 2011, 2013; Laville et al., 2008, 2015; Laville & Nyssens, 2000) to which reference is rarely made in UK or Scottish contributions. As described throughout this Note, Scotland already has many structures, which, with appropriate theoretical and financial underpinning, could form a social and solidarity economy.

There has been small number of UK contributions which seek to describe similar structures. Based on his study of third sector organisations in Bristol, Amin later provided a wider and inclusive definition of the social economy which is closer to that described by Lipietz. While forms of ownership and control vary considerably within the social economy (e.g. cooperatives, charities, community ventures and informal exchange networks), the sector is distinctive from the state and the private sector, belonging to the “third” sector or system (Amin, 2009, p. 31).

Hudson also described the “building blocks in an alternative social economy that challenged and presented a meaningful alternative to the orthodoxies of the market and orthodox conceptions of formally waged employment and unemployment as dichotomous opposites and mutually exclusive conditions” (Hudson, 2002, p. 331). In recognition of a different approach in mainland Europe, “such local initiatives could be seen as the first tentative steps towards the creation of radical alternatives and the seeds of an alternative European social model” (Hudson, 2002, p. 332). Hudson clearly views the third sector as a complement to mainstream employment rather than as a low cost deliverer of public services (Hudson, 2010, p. 150).

### Lipietz Report for Martine Aubry

A highly significant output from Lipietz was his Report in 2000 to Martine Aubry, Minister for Employment and Solidarity. As the daughter of Jacques Delors, the former President of the European Commission who pioneered the European Social Chapter, Aubry was a longstanding socialist French politician and held senior Cabinet positions. Aubry’s ‘Mission Letter’ made the Lipietz terms of reference very clear (M. Aubry, personal communication, 17 September 1998):

“to think about the creation, alongside integration companies, of a status of company with a social purpose. These companies, while exercising their actions in the market sector, would be likely to pursue activities that meet needs that are not currently satisfied by the market and to integrate specific objectives of social utility”

 “…..To fulfil this mission, it will be necessary to proceed with a general framework on the new frontiers between social and economic and the emergence of a third sector.

Though Lipietz Report coincided with the development of New Labour’s social enterprise policy, it is without mention in UK or Scottish academic contributions. He offered the basis for a statute for a new category of enterprises - those with a ‘social goal’, exempt from social contributions and commercial taxes. Since it would be subsidised at the level of a Revenue Minimum d’insertion wage subsidy per person employed, it “would not cost the general government anything.” Lipietz projected creating a space, designated by a common label, within the current social economy. “Under this label could be gathered associations, cooperatives, social economy unions, private companies, individual workers, local exchange systems” (Lipietz, 2000). Lipietz recognises that this will necessitate the mobilization of an ever-growing number of people who will have the care of children and older people as their principal activity (and this will be difficult and highly skilled work) and who will be paid so that they might “live” (Biewener, 2006, p. 132).

Lipietz had earlier written that his concept would involve creation of a new sector of activity for around 10% of the active population, or the contemporary prevailing rate of unemployment. Those in the third sector would have a job which was socially recognised and more rewarding for their self esteem than moonlighting or precarious casual work (Lipietz et al., 1996, p. 142).

Though Liepietz recommendations would have given much of the third sector in France a new statutory footing, these not implemented when Aubry was distracted by other policy developments, including her introduction of a 35 hour week and the Couverture Maladie Universelle (CMU) - a program that reimburses medical expenses through universal social security. She lost her seat in the National Assembly in 2002. Since then, there has been no recognition of the significance of this approach in UK or Scottish contributions.

## The Social and Solidarity Economy

In view of the broad extent of coverage and contributions on the social economy in France and elsewhere, it is surprising that these have attracted so little attention in Scotland.

As shown above, throughout the 1980s and 1990s, there were already major differences in French and UK approaches. “In France, the contemporary (as of the 1980s) re-emergence of the social economy as ‘social and solidarity economy’ is narrowly linked to the reaction against neo-liberal principles and individualist ideology” (Moulaert & Ailenei, 2005, p. 2041). The characteristics of growth in this ‘Third System’ in Continental Europe are “(a) the object of providing a service to members (common or mutual interest) or the community (general interest), (b) the primacy of people over capital, (c) democratic functioning and (d) a management system which is independent of the public authorities” (Vivet, D & Thiry, B, 2000, p. 10).

### Proximity Services

The concept of proximity services occupies a significant status in mainland European third sector discourses and is especially relevant in Scotland, since this is based on communities providing many of their own services. Favreau and Levesque (1999) provide Quebecois examples similar to Laville’s “proximity services” including a community kitchen, small-scale community enterprises, loan circles, community loan funds, and planning and coordination by community develop­ment corporations. (Biewener, 2006, p. 134)**.**

As a central component of a social and solidarity economy, “proximity services” are “sub-categories such as community, personal and social services show notable particularly strong growth” (Laville, 2003, p. 394). These services respond to individual or collective needs based on a definition of proximity that can be “objective, in that it is anchored within a specific social space, or subjective, in that it refers to the relational dimension of the service” (Laville, 2003, p. 396). “The quasi-collective nature of many proximity services and the relevance of equity implies market failure and calls for public regulation” (Badelt, 1990). The European Commission recognised many of these as ‘‘local initiatives for development and employment’’(Laville, 2003, p. 395)*,* which from the 1980s benefited from EU funding. Though proximity services clearly occupy a significant status in mainland European third sector discourses, they rarely achieve mention in UK of Scottish contributions.

### Institutionalisation of Social Economy

In Italy, social co-operatives became popular through their ability to deliver services such as the creation of jobs for those excluded from the labour market (primarily women) and the creation of new services. Social cooperative emerged first in the 1970s and grew rapidly. Borzaga’s estimate (1997) shows about 3,000, representing approximately 100,000 associates and providing services for several hundred thousand people (Laville, 2011, p. 10). Other countries followed Italy in 1991, with Portuguese models in 1998 of social cooperatives that bring together ‘‘salaried’’ members, paid skilled workers employed in the services and ‘‘voluntary’’ members contributing to the production of the services and with the ‘‘cooperative society of collective interest’’ in France in 2002.

## The Quebec Chantier and Social Economy

This section considers social economy initiatives in Quebec which coincided with New Labour’s vocalisation of social enterprise in the UK. The Forum for Full Employment in the 1980s and the Women’s March against Poverty in June 1995, which laid the foundations for participation in a Social and Economy Summit of 1996, which produced Le Chantier de l’Economie Sociale (the Social Economy Framework).

The Quebec Provincial Government directly funds its operating costs of the, rather than subcontracting or outsourcing as in the UK (Mendell et al., 2000, p. 38). This represents “the re-engagement of the state as a partner in socio-economic development strategies in the Forum on the Social Economy (Chantier de l’économie sociale)”. (Mendell et al., 2000, p. 40). The Chantier allows organisations to retain autonomy, so that in pursuing these objectives they will not be obliged to become subcontractors or even accomplices of the neo-liberal state (Bardos-Feltoronyi, 2004) (Klein, Juan Luis & Temblay, Pierre-Andre, 2013, p. 236).

Levesque gives an overview on the formation of the Chantier in Quebec, with a strategy for its recognition as a full partner in economic and social development (Levesque, Benoît, 2013, p. 36). The Chantier represents a national network of social economy actors and those working to develop the social economy, with a general assembly and board, representing sectors in the social economy (environment, social services, communications, recreation, housing, natural resources, child and family services, culture, etc.), local development participants” (Mendell et al., 2000, p. 2). A major contribution of the social economy at the local level involves building the local community itself. Social economy initiatives have a positive impact on forging social bonds and improving people's liv­ing environment and cultural development. Lipietz (2001, p. 74) calls this the "halo" effect in a community” (Klein, Juan Luis & Temblay, Pierre-Andre, 2013, p. 234).

Since all these developments in Quebec coincided with New Labour’s Social Exclusion Unit and its Policy Action Teams and the Social Enterprise Unit at the Department of Trade and Industry, the consequences of which are still evidence in Scotland, it is surprising that so little of these developments features in UK or Scottish contributions.

## Existing Policies for a Social Economy in Scotland

Many component parts for a social economy in Scotland are already in place.

### Procurement

Before Brexit and the UK Withdrawal Agreement, much procurement has been dominated by a range of UK and Scottish Government proposals to encourage delivery by the third sector, whether knowingly or unwittingly, as an interim stage to promote the private sector. These included Article 77 of EU Procurement Directive 2014/24/EU and the Social Services and Wellbeing (Wales) Act 2014.

Since the Article 77 process is now disappearing under the UK Government’s “Tranforming Public Procurement” proposals (Cabinet Office, 2020), in England public sector procurement will become an even more competitive market. Most of these market mechanisms lead to commissioning, procurement and contracts based on lowest price tenders, with a deteriorating standard of service. Many Scottish local councils recognise that these policies are failing, with more private and third sector providers “handing back” contracts because they cannot recruit or retain staff to deliver at the contract price.

For Scotland, there are feasible and attainable policy prescriptions as an alternative. The Scottish Government’s Public Procurement Group has already agreed a series of priorities, including (Scottish Government, 2021d):

* Leadership and visibility
* Sustainable economy recovery
* Supply Chain resilience
* Maximising the impact of the Sustainable Duty
* Climate Emergency (including carbon reduction and a circular economy)

These should be expanded to include Community Wealth Building and to encompass and extend Community Benefit in Procurement.

But hitherto, these discussions have focused on buyers and not enough on the needs of third sector suppliers. Selection and funding for new third sector initiatives should be prioritised for their restoration of local economic democracy rather than cut price outsourcing. Within the health and care sector, further alternatives should be available to social enterprise and third sector organisations, as they are increasingly drawn into competition with the private sector for provision of Self Directed Support, under some of whose models, the service recipient becomes both budget holder and service manager (Henderson et al., 2019). Scottish Government and larger local authorities could set up Innovation Funds, into which bids could be invited from partnerships of public and third sector organisations.

### **Public Social Partnerships**

There are precedents under Scottish Government programmes for Public Social Partnerships, funded under previous EU EQUAL programmes. Under these, the public and third sectors jointly work on service delivery. Much of this approach was echoed in the Report of the Christie Commission on the Future Delivery of Public Services, which included public service organisations working together to deliver integrated services (Christie Commission, 2011, pt. 10).

Between 2005 and 2007, three PSP pilots in Scotland were funded under the EU EQUAL Programme. In 2011, the Scottish Government funded a further ten pilots and in 2011 also published a detailed practical guide (Scottish Government, 2011). Further funding programmes have sought to encourage collaborative provision of services and under the Developing Markets programme around 40 PSPs have been supported.

However, there are continuing difficulties with funding to extend integrated service delivery beyond the initial PSP period.

### Community Wealth Building

The Scottish Centre for Regional Inclusive Growth is building a series of Community Wealth Building (CWB) case studies (Scottish Centre for Regional Inclusive Growth, 2021). Though Scottish Government has committed £3mn for a CWB Fund as part of the Ayrshire Growth Deal, funding should be extended beyond City and Regional Growth Deals into local community energy and other projects. Community Share Ownership Scotland could also extend its remit to CWB to ensure more local community initiatives.

### Community Benefit in Procurement

Though Community Benefit requirements were defined in the Procurement Reform (Scotland) Act 2014 and are further defined on several Scottish local authority sites, all these are in need of substantial updating to take account of local community needs during COVID and climate change and to include national and local Just Transition and Green New Deal initiatives. These requirements, in which Scotland in 2008 provided national UK leadership (Richard MacFarlane and Mark Cook Anthony Collins Solicitors for Scottish Government, 2008) were defined when public sector construction contracts, with possible training, apprenticeships and various supply chain initiatives were dominant.

### Local Third Sector Multiplier

Most work on local economy and employment multipliers focuses on traded and non traded sectors (Moretti & Thulin, 2013), but there are positive effects from third sector activities since many community based organisations spend more locally than the private sector. More work is needed on this to demonstrate more adequately their economic benefits and jobs created directly and indirectly.

### Community Jobs Scheme

Over 9,500 young people have been employed with 1,000 partner organisations under this programme, funded by Scottish Government and delivered through SCVO (SCVO, 2021). These placements could easily be expanded, using placements through Knowledge Transfer Partnerships from Scotland’s higher and further education institutions, with assistance provided for the relevant funding contributions needed from third sector organisations. Placement programmes as part of university and FE college courses could also be expanded if more funding was provided either by Scottish Funding Council or local authorities to cover wages during placement.

## Funding for Third Sector

### Dormant Bank Accounts

Though a further £800mn has been projected by the Cabinet Office from pensions, insurance and securities dormant accounts under Labour’s 2008 Dormant Bank Accounts Act (Weakley, 2021) no further details have been provided. The Commission on Dormant Assets estimated that inclusion of further asset categories could lead to an extra £1-2bn of funding being transferred from “multiple financial services and non financial services products” for the “eventual benefit of good causes” (O’Donohoe & Dormant Assets Commission, 2017, p. 6,9).

The Dormant Assets Bill currently before the House of Lords should make further £800mn available. Though during the recent Lords debate on the Bill, previous Home Secretary Lord Blunkett referred to the possibility of £8 to £10bn, with the Association of British Insurers briefing that in excess of £2bn was available (Hargrave, 2021). Scotland should receive its share from this, and, with the Shared Prosperity Fund below, this should not be allocated by the Scottish Office alone.

### Community Development Finance

Preston and other local authorities are already exploring community investment banks. A further opportunity might be solutions based on enhancement of Co-operative and Community Finance (the former ICOF) and Community Development Finance Institutions, especially following a report on their sustainability for a previous Conservative Government (Price Waterhouse Cooper, 2015). Another possibility is a Scottish version of the US Community Reinvestment Act 1977 (Federal Deposit Insurance Corporation, 2018), which requires deposit taking institutions to meet credit needs of local communities.

### UK Shared Prosperity Fund

The UK Government has proposed a ‘Shared Prosperity Fund’ to replace the £780mn allocated to Scotland in European Union Structural and Investment Funds during the current 2014 to 2020 Programme. Scotland received £4bn om EU funds between 1975 and 2006, and £820mn under the 2007-2013 Programme. Scotland’s ‘levelling up’, especially in the Highlands and Islands, has only been possible through these EU funds.

Under the previous 2007-2013 EU Programme, the Scottish Government prioritised allocation of Priority 1 ESF and Priority 3 ERDF to areas with highest numbers of lowest decile SIMD data zones. This could be repeated, as suggested by David Bell from the University of Stirling (Bell, 2019, p. 12). Key features of these precedents were the involvement of Community Planning Partnerships and Regeneration Outcome Agreements. IPPR also suggests more direct involvement of communities, with about 20% allocated directly to local priority areas (Henry & Morris, 2019, p. 24). Though the Shared Prosperity Fund will be processed and distributed directly through Alistair Jack’s Scottish Office, Scottish Government should continue pressure for involvement in these allocations, involving third sector access.

## Conclusion.

The election of a majority SNP/Green Government on Thursday 06 May 2021 presents a unique five year period when the role and purpose of Scotland’s third sector can be fundamentally reexamined, offering a serious possibility for creation of a social and solidarity economy for Scotland. Whether or not Scottish Independence is fully secured during this period, the Scottish Government has adequate devolved powers to lay foundations for a different basis for civil society in Scotland, so that the interests of local communities and their organisations are transformed. More seriously, for these communities, their post COVID regeneration and coping with the effects of climate change will hardly be possible without this transformation.

## References

Aglietta, M. (1979). *A Theory of Capitalist Regulation: The US Experience*. Verso.

Amin, A. (2009). Extraordinarily ordinary: Working in the social economy. *Social Enterprise Journal*, *5*(1), 30–49. http://www.emeraldinsight.com/doi/pdfplus/10.1108/17508610910956390

Amin, A., Cameron, A., & Hudson, R. (1999). Welfare as Work? The Potential of the UK Social Economy. *Environment and Planning A*, *31*(11), 2033–2051. https://doi.org/10.1068/a312033

Aubry, M. (1998, September 17). *Mission Letter of Martine Aubry, Minister of Employment and Solidarity to Alain Lipietz* [Mission Letter].

Bell, D. (2019). Funding of EU Structural Fund Priorities in Scotland, Post-Brexit. *Sterling University Management School Manuscript*, 19.

Biewener, C. (2006). France and Québec: The Progressive Visions Embodied in Different Social Economy Traditions. In B. J. Clary, W. Dolfsma, & D. M. Figart (Eds.), *Ethics and the Market: Insights From Social Economics* (2006th ed., pp. 126–139). Routledge.

Boltanski, L., & Chiapello, E. (2005). The New Spirit of Capitalism. *International Journal of Politics, Culture, and Society*, *18*(3–4), 161–188. https://doi.org/10.1007/s10767-006-9006-9

Cabinet Office. (2020). *Transforming Public Procurement* (CP 353; p. 82). https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/943946/Transforming\_public\_procurement.pdf

Catterall, B., Lipietz, A., Hutton, W., & Girardet, H. (1996). The Third Sector and the Stakeholder. *City:Analysis of Urban Trends,Culture,Theory,Policy,Action*, *1*(5–6), 86–97.

Christie Commission. (2011). *Commission on Future Delivery of Public Services* (ISBN: 978-1-78045-214-2; p. 102). Scottish Government. https://www.gov.scot/publications/commission-future-delivery-public-services/

Department of Digital, Culture, Media and Sports. (2018). *DCMS Sectors Economic Estimates 2017 (provisional): Gross Value Added* (p. 29) [DCMS Sector Economic Estimates]. Department of Digital, Culture, Media and Sport.

Eynaud, P., Ferrarini, Adriane, Filho, Genauto Carvalho de França, Gaiger, L. I., Hillenkamp, Isabelle, Kitajima, Kenichi, Laville, J.-L., Lemaitre, Andrea, Sadiq, Youssef, Veronese, Marilia, & Wanderley, Fernanda. (2015). Theory of the social enterprise and pluralism The social enterprise of the solidarity type. In *Civil Society, the Third Sector and Social Enterprise* (pp. 234–239). Taylor & Francis. http://www.tandfebooks.com/doi/book/10.4324/9781315795317

Fecher, F., & Lévesque, B. (2008). The Public Sector and the Social Economy in the Annals (1975-2007): Towards a New Paradigm. *Annals of Public and Cooperative Economics*, *79*(3‐4), 679–727.

Federal Deposit Insurance Corporation. (2018). *FDIC: Community Reinvestment Act (CRA)*. Federal Deposit Insurance Corporation. https://www.fdic.gov/regulations/cra/

Hargrave, R. (2021, May 27). *Dormant assets must not become a ‘piggybank’ for government, peer says*. Civil Society News.

Henderson, F., Hall, K., Mutongi, A., & Whittam, G. (2019). Social enterprise, social innovation and self-directed care: Lessons from Scotland. *Social Enterprise Journal*, *May 2019*, 19. https://doi.org/10.1108/SEJ-12-2018-0080

Henry, K., & Morris, M. (2019). *Regional Funding After Brexit: Opportunities for the UK’s Shared Prosperity Fund* (p. 32) [IPPR Briefing]. IPPR. https://www.ippr.org/files/2019-02/1551278444\_regional-policy-post-brexitfeb19.pdf

Hudson, R. (2002). New geographies and forms of work and unemployment and public policy innovation in Europe. *Tijdschrift Voor Economische En Sociale Geografie*, *93*(3), 316–335. https://doi.org/10.1111/1467-9663.00205

Hudson, R. (2010). The Changing Geography of Manufacturing and Work: Made in the UK? In N. Coe & A. Jones (Eds.), *The Economic Geography of the UK* (Vol. 2010, pp. 139–152). Sage.

Klein, Juan Luis, & Temblay, Pierre-Andre. (2013). The Social Economy: A Springboard for Local Development Projects. In *Innovation and the Social Economy: The Québec Experience* (pp. 229–254). University of Toronto Press.

Laville, J.-L. (1996). *Economy and Solidarity: Exploring the Issues* [Presentation Paper]. http://www.jeanlouislaville.fr/wp-content/uploads/1996/06/Economy-and-solidarity-exploring-the-issue.pdf

Laville, J.-L. (2003). A New European Socioeconomic Perspective. *Review of Social Economy*, *61*(3), 389–405. https://doi.org/10.1080/0034676032000115831

Laville, J.-L. (2010). Solidarity Economy. In H. K. Anheier & S. Toepler (Eds.), *International Encyclopedia of Civil Society* (pp. 1464–1470). Springer US. https://doi.org/10.1007/978-0-387-93996-4\_801

Laville, J.-L. (2011). *What is the third sector? From the non-profit sector to the social and solidarity economy - Theoretical debate and European reality* [EMES Working Paper]. http://emes.net/publications/working-papers/what-is-the-third-sector-from-the-non-profit-sector-to-the-social-and-solidarity-economy-theoretical-debate-and-european-reality/

Laville, J.-L. (2013). The Social and Solidarity Economy: A Theoretical and Plural Framework. In United Nations Research Institute for Social Development (Ed.), *United Nations Research Institute for Social Development; Vol. Conference May 2013* (p. Solidarity Economy;-Solidarity Economy;). United Nations Research Institute for Social Development;

Laville, J.-L., Fraisse, L., Lhuillier, V., & EMES European Research Network. (2008). *France—Third Sector Images and Concepts* (E. E. Research. Network, Ed.; Vol. 08/02). European Research Network EMES.

Laville, J.-L., & Nyssens, M. (2000). Solidarity-Based Third Sector Organizations in the ‘Proximity Services’ Field: A European Francophone Perspective. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, *11*(1), 67–84. https://doi.org/10.1023/A:1008955016464

Laville, J.-L., Young, D. R., & Eynaud, P. (2015). *Civil Society, the Third Sector and Social Enterprise: Governance and Democracy* (2015th ed.). Routledge.

Leadbeater, C. (1997). *The Rise of the Social Entrepreneur* (ISBN 1 898309 53 1; Demos Independent Think Tank, pp. 1–91). Demos Independent Think Tank. https://www.demos.co.uk/files/theriseofthesocialentrepreneur.pdf

Leadbeater, C., & Christie, I. (1999). *To our Mutual Advantage*. Demos. http://charlesleadbeater.net/wp-content/uploads/1999/01/Toourmutualadvantage.pdf

Levesque, Benoît. (2013). How the Social Economy Won Recognition in Quebec at the End of the Twentieth Century. In *Innovation and the Social Economy: The Québec Experience* (pp. 25–70). University of Toronto Press.

Lipietz, A. (1988). Reflections on a Tale: The Marxist Foundations of the Concepts of Regulation and Accumulation. *Studies in Political Economy*, *26*(0), 7–33. http://spe.library.utoronto.ca/index.php/spe/article/download/13195

Lipietz, A. (1989a). *Towards a New Economic Order: Postfordism, Ecology and Democracy* (Vol. 1992). Polity Press.

Lipietz, A. (1997). The post-Fordist world: Labour relations, international hierarchy and global ecology. *Review of International Political Economy*, *4*(1), 1–41. https://doi.org/10.1080/096922997347841

Lipietz, A. (2000). *The Opportunity of a New Type of Society with a Social Vocation* (Report to Martine Aubrey, September 2000 Report to Martine Aubrey, September 2000; Report to Martine Aubrey, September 2000). Ministry of Employment and Solidarity. https://translate.google.co.uk/translate?hl=en&sl=fr&u=http://lipietz.net/Rapport-final-sur-l-entreprise-a-but-social-et-le-tiers-secteur&prev=search

Lipietz, A. (1989b). The Regulation Approach and the Problems of Current Capitalist Crisis. *IFES Marxism and the Global Society*, 1–40. http://lipietz.net/spip.php?article629

Lipietz, A., Catterall, B., Hutton, W., & Girardet, H. (1996). The third sector: Resolving the crisis of the welfare state. *City:Analysis of Urban Trends,Culture,Theory,Policy,Action*, *1*(1–2), 141–144.

Lipietz, A., Glyn, Andrew, S. A., Hughes, Alan, & Singh, Ajit. (1990). *The Golden Age of Capitalism: Reinterpreting the Postwar Experience* [Studies in Development Economics]. http://lipietz.net/ALPC/EGM/EGM\_1986j-en1.pdf

Lipietz, Alain, A., & Jenson, Jane. (1987). *Rebel sons: The Regulation school* [Lipietz]. Lipietz. http://lipietz.net/IMG/article\_PDF/article\_750.pdf

Mendell, M., Levesque, Benoît, & Rouzier, Ralph. (2000, September). *New Forms of Financing Social Economy Enterprises and Organisations in Quebec (from EU Local Economic Development Programme and US German Marshall Fund)* [Envision, Canada]. Envision, Canada. http://www.envision.ca/pdf/SocialEconomy/FinancingSocialEconomyQuebec.pdf

Moretti, E., & Thulin, P. (2013). Local multipliers and human capital in the United States and Sweden. *Industrial and Corporate Change*, *22*(1), 339–362. https://doi.org/10.1093/icc/dts051

Moulaert, F., & Ailenei, O. (2005). Social Economy, Third Sector and Solidarity Relations: A Conceptual Synthesis from History to Present. *Urban Studies*, *42*(11), 2037–2053. https://doi.org/10.1080/00420980500279794

O’Donohoe, N. & Dormant Assets Commission. (2017, March 3). *Tackling Dormant Assets. Recommendations to Benefit Investors and Society* [Gov UK]. Gov UK.

Price Waterhouse Cooper. (2015). *The Sustainability of Community Development Finance Institutions* (p. 83) [Price Waterhouse Cooper]. https://www.british-business-bank.co.uk/research/the-sustainability-of-community-development-finance-institutions-december-2015/

Richard MacFarlane and Mark Cook Anthony Collins Solicitors for Scottish Government. (2008). *Community Benefits in Public Procurement—A Report Demonstrating the Methodology for Including Targeted Recruitment and Training Clauses in Public Sector Contracts*. Scottish Government.

Ronicle, J., & Fox, T. (2016, November 10). *In pursuit of readiness: An evaluation of the Investment and Contract Readiness Fund* [Social Investment Business]. Social Investment Business. https://www.sibgroup.org.uk/resources/in-pursuit-of-readiness

Scottish Centre for Regional Inclusive Growth. (2021). *Community Wealth Building Case Studies*. Scotland’s Centre for Regional Inclusive Growth.

Scottish Council for Voluntary Organisations. (2020, February 18). *State of the Sector 2020: Scottish voluntary sector statistics – SCVO*. Scottish Council for Voluntary Organisations.

Scottish Government. (2011). *Public Social Partnerships*. Scottish Government. http://www.scotland.gov.uk/News/Releases/2011/07/08133636

Scottish Government. (2021a). *Inclusive Growth through Social Enterprise: Scotland’s Social Enterprise Action Plan/2021-2024* (p. 46). Scottish Government.

Scottish Government. (2021b, March 21). *Third Sector Growth Fund*. Scottish Government.

Scottish Government. (2021c, March 24). *Growth Sector Statistics*. Scottish Government. https://www.gov.scot/publications/growth-sector-statistics/

Scottish Government. (2021d, June 2). *Public Procurement: Priorities 2021 to 2022*. Scottish Government.

SCVO. (2021, March 17). *Community Jobs Scotland – SCVO*.

Social Justice and Fairness Commission. (2021, March). *Social Justice and Fairness Commission Final Report*. Scottish Government.

Social Value Lab. (2019, June). *Social Enterprise in Scotland: Census 2019*. Social Value Lab.

Vivet, D, & Thiry, B. (2000). *Field of study, quantitative importance and national acceptations* (Pilot Action ‘Third System and Employment’ of the European Commission, pp. 10–35) [CIRIEC for European Commission]. European Commission. http://www.ciriec.ulg.ac.be/wp-content/uploads/2015/12/dgv\_ciriec\_fulltext\_english.pdf

Weakley, K. (2021, January 9). *Government commits to release of £800m of dormant assets to help charities*. Civil Society.