

WRITTEN EVIDENCE TO THE INCLUSIVE GROWTH COMMISSION  
SUBMITTED BY THE SCHUMACHER INSTITUTE

The Schumacher Institute

- 1 The Schumacher Institute (TSI) is an independent think tank that studies the economic, social and environmental challenges faced by the planet and its people. We apply systems thinking to explore and test sustainable options, which acknowledge the complexity of our world. We see social justice as integral to sustainability and look for answers that are fair to all, within the limits that the Earth can sustain.

Primary Concern

- 2 TSI welcomes the publication of the Inclusive Growth Commission's emerging findings, which cast a much needed spotlight on the need to bring together economic and social objectives, to develop people focused policies, and to take a 'grown up' approach to city-based devolution. However, we believe that the Commission's remit needs to be interpreted in a way that enables it to also focus on wider sustainability objectives, particularly as the emphasis in its work shifts from the short to medium and long term. We note with some concern that the Commission's emerging findings are almost completely silent on the need for economic development to be sustainable: this must surely be an essential dimension of the new policy framework that is needed to address contemporary challenges<sup>1</sup>. After all, echoing the Prime Minister, Britain will only become a country that works for everyone, if it also works for the planet.

Planetary Limits and Boundaries

- 3 The case for integrating sustainability objectives into a new policy framework is underpinned by the academic literature on planetary limits and boundaries. Early warnings were provided in the Club of Rome's 1972 report on the Limits to Growth, which set out the dynamic nature of our dependency on physical resources and on ecological systems. It illustrated the processes of 'overshoot and collapse' that can occur when these limits are approached and suggested that, without a shift in direction, adverse consequences would become obvious "within the next century". In their 2016 review of the original report and subsequent debate<sup>2</sup>, Jackson and Webster conclude that:

there is unsettling evidence that society is still following the 'standard run' of the original study – in which overshoot leads to an eventual collapse of production and living standards. Detailed recent studies suggests that production of some key resources may only be decades away. Certain other limits to growth – less visible in

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<sup>1</sup> In support of this view, we note that reference is made in Appendix 1 of the Commission's Emerging Findings to the Brookings Institution and the Rockefeller Foundation 'metro map' of inclusive economies, which includes sustainability as one of its five characteristics of 'inclusive economies'.

<sup>2</sup> Jackson T and Webster R, 'Limits Revisited: A Review of the Limits to Growth Debate', April 2016, <http://limits2growth.org.uk/revisited>.

the 1972 report – present equally pressing challenges to modern society. We highlight, in particular, recent work on our proximity to ‘planetary boundaries’ ...

- 4 The concept of planetary boundaries was introduced in 2009 by Rockström and colleagues<sup>3</sup>. The concept includes a set of nine boundaries for critical processes that regulate the functioning of the earth system. These relate to climate change, ocean acidification, ozone depletion, novel entities (e.g. chemical pollution), aerosol loading, biosphere integrity, biochemical flows (nitrogen and phosphorus cycles), freshwater use and land-system change. Crossing these boundaries could generate abrupt or irreversible changes on a colossal scale. Respecting them reduces the risks to human society of catastrophic change. According to Steffen and colleagues<sup>4</sup>, we have now breached at least four of the boundaries (climate change, biosphere integrity, biochemical flows and land-system use). Rockström adds that two are in the high risk zone (biosphere integrity and interference with the nitrogen and phosphorous cycles), while the other two are in the danger zone (climate change and land use change)<sup>5</sup>.

#### Addressing Equity *and* Planetary Limits: the Converge Project

- 5 Between 2009 and 2013, TSI coordinated a large-scale interdisciplinary research project – the Converge Project<sup>6</sup> - that focused on the idea of equity in the light of planetary limits and applied it to the various challenges and initiatives the world is witnessing. The Converge Project generated a range of outputs that may assist the Commission address the missing dimensions of sustainability in its future work. Two in particular may be of use:
- The Converge ‘Quadrant Model’ provides a straightforward way of mapping where initiatives or programmes lie on two axes relating to equity and limits<sup>7</sup>.
  - The Converge ‘Mapping System’ provides a more detailed way of evaluating how an initiative or organisation is managing to address the imperatives of both living within planetary limits and boundaries and sharing resources and benefits more equitably<sup>8</sup>.

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<sup>3</sup> Rockström J, et al, ‘A safe operating space for humanity’, Nature 461, pp.472-475, 2009.

<sup>4</sup> Steffen W, et al, ‘Planetary Boundaries: Guiding human development on a changing planet’, Science, 13 February 2015: Vol. 347 no. 6223.

<sup>5</sup> Rockström J, ‘Bounding the Planetary Future: Why we need a Great Transition’, A Great Transition Initiative Essay, April 2015.

<sup>6</sup> The Converge Project was funded by the European Union with 9 partners across 5 countries. <http://www.schumacherinstitute.org.uk/research/converge/>.

<sup>7</sup> Roderick I, and the CONVERGE Project Team, ‘Report on how ranking of degree of convergence may be undertaken – calculating a convergence baseline’, CONVERGE Deliverable 16, 2013.

<sup>8</sup> See Converge, ‘Policy Brief and Recommendations’, Converge Deliverable 34, for an overview and annex with scoring scales, and Vadovics E, Milton S and the Converge Team, ‘Case Studies (‘Initiatives’) illustrating Contraction and Convergence’, Converge Deliverable 33, 2012, for examples of the use of the mapping system.

Addressing Equity *and* Planetary Limits: the UN Sustainable Development Goals (SDGs)

- 6 A second substantive way of addressing equity in the light of planetary limits is to take account of ways of implementing the UN's new global development framework: 'Transforming our World: the 2030 Agenda for Sustainable Development'<sup>9</sup>. The Agenda consists of 17 SDGs and 169 targets, which commit all signatory countries – including the UK - to tackle issues as diverse and deep-rooted as gender inequality, climate change, access to quality education and the promotion of peaceful and inclusive societies. The SDGs officially came into force on 1 January 2016 and there is a moral imperative on the UK to move forward with implementing the Goals at home and supporting other countries to achieve them overseas<sup>10</sup>.
- 7 A number of the SDGs are particularly relevant to thinking through how to bring together economic, social and sustainability objectives. Perhaps the most important in this respect is SDG 12: "ensure sustainable consumption and production patterns". This goal has 8 associated targets, addressing key challenges, including: use of natural resources, food waste (including in production, supply and retail), management of chemical wastes, reduced waste generation (through prevention, reduction, recycling and re-use); sustainable practices and reporting by businesses, and sustainable public procurement practices. Examples of practices that address these targets are provided below under approaches to 'Grown-Up Devolution'.
- 8 With regard to the target about sustainable practices and reporting by businesses, we would like to draw the Commission's attention to a recent report by Volans, commissioned by the Business and Sustainable Development Commission<sup>11</sup>. This report addresses the ways in which the most forward looking companies around the world are radically re-fashioning their business models to deliver new forms of value based on innovative assessments of the requirements of sustainable development. According to Volans, the most successful business models of the future will focus on: direct and indirect social contributions; effective use of resources and capital; integration of the SDGs into business plans; and circular systems. We think there would be value in the Commission giving consideration to ways in which such 'breakthrough' business models might be promoted and encouraged.

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<sup>9</sup> See <https://sustainabledevelopment.un.org/post2015/transformingourworld>. This new global development framework was adopted in September 2015 by 193 Member States attending the United Nations (UN) Sustainable Development Summit in New York.

<sup>10</sup> The UK Government's approach to implementation of the SDGs has been criticised by the House of Commons International Development Committee (IDC), International Development Committee, 'UK Implementation of the Sustainable Development Goals', HC103, 8 June 2016. Unfortunately, it appears that the Government does not intend to use the SDGs as a way of changing or developing UK domestic policy to address economic, social or environmental challenges, but of attempting a retrospective review designed to show the extent to which existing policy is advancing (some of) the Goals.

<sup>11</sup> Volans, 'Breakthrough Business Models', September 2016. <http://volans.com/2016/09/breakthrough-business-models-how-to-drive-sustainable-growth-in-an-exponential-world/>.

- 9 TSI welcomes the spotlight cast by the Commission on concerns about the potential major impacts of inequalities, discontent and disempowerment on social cohesion. Given these concerns, the Commission should find it helpful to view ways of achieving inclusive and sustainable economic development through the lens of resilience, where resilience is defined as the capacity of communities, institutions, businesses, and systems to survive, adapt and grow no matter what kinds of chronic stresses and acute shocks they experience<sup>12</sup>. Work to develop and implement resilience strategies is taking place in locales<sup>13</sup> and internationally<sup>14</sup>. TSI has been involved in the ‘sounding board’ helping to develop Bristol’s 50 year Resilience Strategy (RS), and provides a service to businesses on resilience strategies through its Prepare for Change programme<sup>15</sup>. Bristol’s RS contains a range of actions which fit well with the approach advocated by the Commission including, for example, building local leadership capacities, mobilising the full spectrum of local actors, and enabling active citizenship<sup>16</sup>.
- 10 We would also like to draw the Commission’s attention to a recent report to the EU by an expert group which has highlighted that prosperity and sustainability cannot be achieved without building “resilient systems that promote radical innovation in economic policy, corporate strategy, and in social systems and public governance.”<sup>17</sup> The group presents a series of recommendations for further action by EU institutions and Member States, showing how resilience thinking can guide innovation in these areas. The recommendations cover: social innovation; governance; semi-protected niches for frontrunners to experiment; public funding for innovation; avoiding lock-ins and providing dynamic standards and targets; and development of sector-specific policies. These sort of recommendations should be of interest to the Commission as they are often consistent with, reinforce, or supplement the approach that it advocates. For example, on governance, resilience thinking highlights a range of features, including

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<sup>12</sup> Stresses are chronic conditions which weaken the fabric of society on a daily or cyclical basis (eg high unemployment, health inequalities, inefficient public transport systems, endemic violence, and chronic food or water shortages) and shocks are sudden, sharp events such as terrorist attacks, fires, floods, earthquakes, and disease outbreaks.

<sup>13</sup> See, for example, Bristol City Council, ‘Bristol Resilience Strategy’, Draft Strategy Document <https://democracy.bristol.gov.uk/documents/s8158/10%20-%20Bristol%20Resilience%20Strategy%20-%20draft%20strategy%20document.pdf> and Bristol Resilience Network, ‘The Business Resilience Handbook’, 2015.

<sup>14</sup> See the 100 Resilient Cities (100RC) network, pioneered and funded by the Rockefeller Foundation (100RC) to help cities around the world become more resilient to physical, social and economic challenges [http://www.100resilientcities.org/about-us#/-\\_Yz4zMDE0MTloZz4yJnQ%2FYQ%3D%3D/](http://www.100resilientcities.org/about-us#/-_Yz4zMDE0MTloZz4yJnQ%2FYQ%3D%3D/).

<sup>15</sup> <http://www.schumacherinstitute.org.uk/projects/prepare-for-change/>.

<sup>16</sup> See, in particular, Bristol City Council, ‘Bristol Resilience Strategy’, actions 25 (transformative leadership), 22 (City Office), and 6 (participatory city). A range of other actions in the resilience strategy fit well with the Commission’s proposals for the way in which ‘grown up’ devolution needs to work in practice. Other actions illustrate how wider sustainability objectives can be worked towards.

<sup>17</sup> Working Group on Resilience Management and the Circular Economy, ‘Through Resilience Thinking towards Sustainability and Innovation: Recommendations for Policy Makers in the EU’, February 2016. <http://www.stockholmresilience.org/research/research-news/2016-11-18-a-way-forward-through-circular-economy.html>.

flexibility, openness to learning, capacity to adapt and innovate, collaboration, participation and effective multi-level governance which, as the Commission recognises, are all desirable in terms of encouraging, enabling and shaping the approach needed to address contemporary challenges.

- 11 Finally, we would like to suggest that consideration be given to extending the Commission's concept of "horizontal support", which it argues is an important component of a way forward. We think that this concept fits well with key features of resilience thinking about governance, including openness to learning and collaboration. As an example, the Commission makes reference to involving leading mayors in national policy-making. We think the concept of horizontal support could also embrace thinking about ways of enabling aid and support between communities, cities and regions, for example, through programmes for ensuring sharing, learning and mentoring.

### The Use of Measures and Indicators

- 12 TSI welcomes the Commission's observations about the limitations of GVA as the measure of choice. We agree that it is not able to measure the inclusivity of growth, nor its geographical and social spread, and that it is not able to take account of variations in the wider effects of growth, regionally or locally. We also agree that a wider basket of measures should be developed.
- 13 In thinking about this basket of measures, there are a number of existing assessments that might be drawn upon, including:
  - TSI Converge Project: this provides a paper that critically assesses issues associated with measurement and indicators, including different types of information and what they measure, data integrity and interpretation, and recommends use of a systems approach to identifying indicators that enable progress towards a desired state to be identified<sup>18</sup>.
  - Centre for the Understanding of Sustainable Prosperity (CUSP): CUSP have reviewed key critiques of indicators and their political use, including issues with simplification, quantification, interpretation, complexity and immeasurability. CUSP conclude that indicators could have a useful but limited role, that they force clarity and rigour that exposes priorities and political beliefs, and that they can create a platform for debate and new understandings<sup>19</sup>.
  - World Council on City Data (WCCD): WCCD have developed a new international standard and certification system, ISO 37120, published in May 2014. ISO 37120 defines and establishes definitions and methodologies for a set of indicators to

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<sup>18</sup> Roderick I and the CONVERGE Project Team, 'Report on how ranking of degree of convergence may be undertaken – calculating a convergence baseline', CONVERGE Deliverable 16, 2013.

<sup>19</sup> Jones A et al, 'Indicators for Sustainable Prosperity? Challenges and Potential for Indicator Use in Political Processes', CUSP Working Paper No. 3, October 2016.

steer and measure the performance of a city's social, economic, and environmental performance<sup>20</sup>.

#### Grown Up Devolution: Including Sustainability Objectives

- 14 TSI welcomes the Commission's call for the Government to pursue a 'grown up' approach to city-based devolution, enabling places to respond flexibly to their specific challenges and opportunities with appropriate powers and the required level of funding. We agree that bringing together economic and social objectives is an integral part of a grown up devolution. However, to be truly grown up, city-based devolution must also address wider sustainability objectives. The rest of this evidence suggests ways in which this can be done, by focusing and building on models for local economic development that include: the green economy; the circular economy; anchor institutions and the foundational economy; community and social enterprises; and 'cosmo-localism'.

#### Grown Up Devolution: the Green Economy

- 15 As Jackson and Victor suggest, the 'green economy' is still a contested concept<sup>21</sup>. They point out that: "At its worst, it simply provides cover for business-as-usual—the escalation of unsustainable corporate practices that threaten the integrity of the natural world and undermine the resource base for future prosperity. At its best, the green economy offers a positive blueprint for a new economics: firmly anchored in principles of ecological constraint, social justice, and lasting prosperity." TSI would like to highlight the importance of articulating a positive blueprint for a green economy within the concept of 'grown up' city-based devolution.
- 16 Jackson and Victor's paper provides a good starting point, focusing on the implications of the green economy at the local level. It identifies four specific aspects of primary importance to thriving communities: the role of enterprise, the quality of work, the structure of investment, and the nature of the money economy. On local investment, it identifies a number of essential targets, including: improving energy efficiency and resource productivity, increasing the capacity for a local service enterprise sector, building and maintaining community assets, protecting and enhancing social and natural systems, and developing local renewable energy opportunities. Jackson and Victor also explore the wider role of governance in stimulating and enabling change and propose an inventory of policy levers that could aid the transition to a green economy.
- 17 TSI would also like to commend local case studies from our host city of Bristol. These are provided in the 'Bristol Method', a knowledge-transfer programme aimed at helping people in other cities understand and apply the lessons that Bristol has learned in seeking to become a more sustainable city<sup>22</sup>. Bristol Method reports cover

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<sup>20</sup> See the World Council on City Data at <http://www.dataforcities.org/wccd/>.

<sup>21</sup> Jackson T and Victor PA, 'Towards a New, Green Economy: Sustainable and Just – at Community Scale', 2016, <http://thenextsystem.org/wp-content/uploads/2016/11/JacksonVictor.pdf>.

<sup>22</sup> <https://www.bristol2015.co.uk/method/>.



the local economy, energy, transport, resources and food, many of which may aid the Commission in its further work. We would highlight two reports in particular: the first looks at the experience in Bristol of how to grow a green economy in a city<sup>23</sup>, and the second on how to engage small businesses to be more sustainable<sup>24</sup>. These reports demonstrate how green economy thinking is applicable to developing specific green industries (e.g. renewable energy and environmental technologies) and to working with existing sectors (e.g. on energy efficiency and resource use).

#### Grown Up Devolution: the Circular Economy

- 18 The linear ‘take, make, and dispose’ economic model relies on large quantities of cheap, easily accessible materials and energy and, as outlined above, is reaching its physical limits. In contrast, a circular economy is based on cycles that preserve and enhance natural capital and optimise resource use. The concept distinguishes between technical and biological cycles, seeking to ensure that the economy neither creates waste, nor undermines essential material and nutrient cycles, or wider ecological and social systems. As such, TSI considers that the concept provides a particularly helpful way of addressing issues around consumption and production patterns (see para 7), and is potentially applicable, albeit to varying degrees, across all sectors of local economies.
- 19 According to the Circular Economy 100 programme, launched by the Ellen MacArthur Foundation, the circular economy rests on three key principles:
- preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows;
  - optimise resource yields by designing for remanufacturing, refurbishing, and recycling to keep components and materials circulating in and contributing to the economy; and
  - foster system effectiveness by revealing and designing out negative externalities, including damage to resources.

A 2015 report by the Foundation sets out what implementation of these principles would mean in practice and provides a ‘Resolve’ framework for six types of actions that businesses and governments can take to transition to a circular economy (regenerate, share, optimise, loop, virtualise and exchange)<sup>25</sup>. The report summarises the benefits and positive impacts that this would have, and outlines thinking on how to mainstream the circular economy.

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<sup>23</sup> [https://www.bristol2015.co.uk/media/filer\\_public/f3/f4/f3f4618d-eb1f-4af5-9b99-11f5951be757/24\\_bristol\\_method\\_how\\_to\\_grow\\_the\\_green\\_economy\\_in\\_a\\_city.pdf](https://www.bristol2015.co.uk/media/filer_public/f3/f4/f3f4618d-eb1f-4af5-9b99-11f5951be757/24_bristol_method_how_to_grow_the_green_economy_in_a_city.pdf).

<sup>24</sup> [https://www.bristol2015.co.uk/media/filer\\_public/94/2f/942f2c12-6489-4657-b980-4f5a7c0d1865/25\\_bristol\\_method\\_how\\_to\\_engage\\_small\\_businesses.pdf](https://www.bristol2015.co.uk/media/filer_public/94/2f/942f2c12-6489-4657-b980-4f5a7c0d1865/25_bristol_method_how_to_engage_small_businesses.pdf).

<sup>25</sup> ‘Towards a Circular Economy: Business Rationale for an Accelerated Transition’, Ellen MacArthur Foundation, December 2015, [https://www.ellenmacarthurfoundation.org/assets/downloads/TCE\\_Ellen-MacArthur-Foundation-9-Dec-2015.pdf](https://www.ellenmacarthurfoundation.org/assets/downloads/TCE_Ellen-MacArthur-Foundation-9-Dec-2015.pdf).

- 20 In their report on breakthrough business models, Volans provide a number of international case studies on moves towards a circular economy, including Philips approach to ‘pay per lux’ lighting, Carbon Nation’s soil carbon capture technologies and Seoul’s Sharing City Initiative<sup>26</sup>. Closer to home, Bristol City Council has developed a Waste and Resource Management Strategy that seeks to move the city towards a more circular economy<sup>27</sup>. In addition, the Bristol Method provides a ‘how to’ report on encouraging the re-use of unwanted items<sup>28</sup>, and the Bristol Resilience Strategy includes an action on the SevernNet Circular Economy Plan, which focuses on opportunities to eliminate or minimise wastes, and to develop a local sharing economy<sup>29</sup>.

#### Grown Up Devolution: Anchor Institutions and the Foundational Economy

- 21 TSI would like to suggest that the Commission give further consideration to recent work that focuses on the role of anchor institutions and the foundational economy in ways of meeting economic, social and sustainability objectives:
- The Centre for Local Economic Strategies (CLES) defines anchor institutions as those that have a key stake in a place, which create jobs and purchase goods and services, and which are highly unlikely to leave due to market forces<sup>30</sup>. These organisations typically include: local authorities, universities, further education colleges, hospital trusts, and housing.
  - The Centre for Research on Socio-Cultural Change (CRESC) defines the foundational economy as that which provides goods and services which are taken for granted by all members of the population and is territorially distributed<sup>31</sup>. Although there is a degree of overlap with anchor institutions (healthcare and education), the foundation economy also includes utilities (water, gas, electricity) and food (production, manufacture, retail).
- 22 The CLES argues that key to a good local economy is ensuring that the capital and general activity associated with the day to day operation of the anchor institutions is, as much as possible, retained within the local economy. CLES demonstrate how procurement, and the commissioning process which goes before it, can be used as a tool which is about both efficiency and local effectiveness, potentially bringing a string of economic, social and environmental benefits for a locality. CLES provide a detailed

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<sup>26</sup> Volans, ‘Breakthrough Business Models’, September 2016, p29. <http://volans.com/2016/09/breakthrough-business-models-how-to-drive-sustainable-growth-in-an-exponential-world/>

<sup>27</sup> Bristol City Council, ‘Towards a Zero Waste Bristol: Waste and Resource Management Strategy’, April 2016, <https://www.bristol.gov.uk/documents/20182/33395/Towards+a+Zero+Waste+Bristol+-+Waste+and+Resource+Management+Strategy>.

<sup>28</sup> [https://www.bristol2015.co.uk/media/filer\\_public/cb/25/cb25b78c-ca75-4eb7-a018-59cf661fffbe/11\\_bristol\\_method\\_how\\_to\\_encourage\\_reuse\\_of\\_unwanted\\_items.pdf](https://www.bristol2015.co.uk/media/filer_public/cb/25/cb25b78c-ca75-4eb7-a018-59cf661fffbe/11_bristol_method_how_to_encourage_reuse_of_unwanted_items.pdf).

<sup>29</sup> See <http://severnnet.org/working/> and Bristol City Council, ‘Bristol Resilience Strategy’, Draft Strategy Document, November 2016, action 26, p29, <https://democracy.bristol.gov.uk/documents/s8158/10%20-%20Bristol%20Resilience%20Strategy%20-%20draft%20strategy%20document.pdf>

<sup>30</sup> Jackson M and McInroy N, ‘Creating a Good Local Economy: the Role of Anchor Institutions’, CLES, 2015.

<sup>31</sup> Bentham J et al, ‘Manifesto for the Foundational Economy’, CRESC, 2013.



case study of the ‘Preston Model’ which, as recognised by the Commission, represents a pioneering approach in the UK, based on systematic engagement with anchor institutions across the city<sup>32</sup>. Further examples of work with anchor institutions are highlighted in a review of initiatives to create good city economies published by the Friends Provident Foundation<sup>33</sup>. This review argues that maximising social and environmental goals through procurement should be at the heart of anchor institution strategies. Finally, in Bristol, the City Council has developed a ‘Partnership Toolkit for Commissioners and Providers’ to ensure that social benefits are delivered through commissioning and procurement cycles. The toolkit makes reference to the UN SDGs (paras 6-8 above) and circular economy concepts (paras 17-19 above) as ways of giving meaning to the broad overall concept of ‘social value’<sup>34</sup>.

- 23 The CRESC argues that the primary focus of industrial policy should not be a few favoured high technology sectors, but the foundational economy. It suggests that this economy depends on a kind of ‘social franchise’, either because it is directly or de-facto franchised by the state, or because ‘everyday’ household spending and tax revenue sustains its activities. According to CRESC, this justifies a new kind of political intervention which would challenge public and private business models that privilege the point value of least cost and most profit, and which neglect the preconditions of national, regional and local economic security and sustainability. In other words, the social franchise dependency of the foundational economy justifies interventions to encourage and enable participating organisations and companies to adopt business models that properly address social and sustainability objectives (see para 8 above on ‘breakthrough’ business models). For CRESC, the social franchise also implies the need for changes in procurement and employment practices: “In this new world, firms will need to pay living wages, recruit and train locally, source regionally and nationally as they anchor themselves in communities”. To achieve this, CRESC argues that local and regional government need to be reinvented, empowered and reskilled as appropriate to use micro-level knowledge to develop context-specific understandings of the foundational economy and to share intelligence about how to deal with common problems.
- 24 In short, organisations and companies within the foundational economy that are not yet anchored within the places that they operate need to become so, through changes in their business models and procurement and employment practices, thereby ensuring that the benefits of their activities are, as much as possible, retained within the local economy.

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<sup>32</sup> Jackson M and McInroy N, ‘Creating a Good Local Economy: the Role of Anchor Institutions’, CLES, 2015.

<sup>33</sup> Goff C, ‘Creating Good City Economies in the UK’, Friends Provident Foundation, 2016, p30.

<sup>34</sup> Bristol City Council, ‘Creating Social Value in Bristol: Partnership and Policy Toolkit for Commissioners and Providers’, 2016. <https://www.bristol.gov.uk/documents/20182/239382/Creating+Social+Value+-+Social+Value+Toolkit+-+approved+March+2016-1.pdf/a596f490-ab73-4827-9274-5025ca5a4f1b>.

## Grown Up Devolution: Community and Social Enterprises

- 25 The Commission argues that “inclusive growth” happens when there is greater quality and wider distribution of entrepreneurship and autonomy, involving: “broadening asset ownership and opportunities for enterprise, supported by inclusive financial and regulatory institutions and services like local financial institutions”. TSI considers it particularly important to encourage and enable the creation of community and social enterprises, because they are usually profoundly place-centred, and can contribute to sustainable and inclusive economic development. There are numerous examples of such enterprises across a variety of sectors.
- 26 In her review for the Friends Provident Foundation, Goff highlights the importance of assets that are owned by and work for local communities, and provides a range of examples from across the UK of the way in which this is being done, including digital manufacturing, recycling, bakeries, cafes and cultural venues<sup>35</sup>. To move forward with the creation of more community-led enterprises, Goff argues that places need to take greater advantage of the principles and provisions of the Localism Act 2011, and that this needs to be done on a partnership basis, linking community provision to wider agendas around public service reform, with an enabling role for local councils. For Sharp, ‘asset mapping’ is often an important first step because it: makes community assets more visible; helps stimulate stakeholders to think about enterprise development; and creates new opportunities for partnership<sup>36</sup>.
- 27 CLES highlight that it is important for anchor institutions to think about the scope for newly formed cooperatives to deliver services and provide goods, as part of their work on commissioning and procurement practices. They point to examples – particularly internationally - where this has been successful, with cooperatives delivering laundry, energy and catering services for a number of anchor institutions, including universities and hospitals<sup>37</sup>. For CLES, “local ownership enabling”, is a key next stage in developing a good local economy in Preston.
- 28 Finally, Bauwens stresses the importance of developing cooperative models within peer-to-peer economies, in contrast to private companies such as Uber and Airbnb which “suck the value” out of local economies and create a range of “precarious” occupations<sup>38</sup>. For Bauwens, platform cooperatives provide a way for workers in such industries to own their platform, protect their members and reinvest their profits into their own network. Schneider adds that “promoting more democratic ownership and governance of online platforms is a way that cities can ensure that the Internet economy lives up to its promise as a true commons and a means of generating shared

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<sup>35</sup> Goff C, ‘Creating Good City Economies in the UK’, Friends Provident Foundation, 2016, p35.

<sup>36</sup> Sharp D, ‘Sharing Cities: An Asset Based Approach to the Urban Commons’, in Ramos J M, Ed, ‘The City as Commons: A Policy Reader’, 2016, <https://cdn5-blog.p2pfoundation.net/wp-content/uploads/city-as-commons.pdf>.

<sup>37</sup> Jackson M and McInroy N, ‘Creating a Good Local Economy: the Role of Anchor Institutions’, CLES, 2015.

<sup>38</sup> Bauwens M, ‘Uber should be regulated like the rest of the economy’, EurActive.com, July 2016, <https://www.euractiv.com/section/digital/interview/tues-michel-bauwens-uber-or-airbnb-should-be-regulated-like-rest-of-the-economy/>.

wealth”<sup>39</sup>. It is also a way of grounding aspects of the internet economy in a place, helping overcome the feeling that it is “everywhere and nowhere at the same time”. Although examples of platform cooperatives exist<sup>40</sup>, Schneider points out that widespread development will not be easy: “it will require an ecosystem of financing, legal resources, education, and community that, together, can create a runway for promising businesses”. TSI would suggest that further consideration be given to policies to support the development of platform cooperatives<sup>41</sup>.

### Grown Up Devolution: ‘Cosmo-localism’

- 29 The Commission rightly draws attention to structural changes in our economy and its social impacts. These changes are widely considered to be driven by a focus on short-term profit maximisation, often combined with technological innovation<sup>42</sup>. We think it important to give further consideration to trends in technological innovation and ways of ensuring that innovation contributes to inclusive and sustainable economic development, rather than exacerbating and deepening current challenges.
- 30 One potentially significant model for achieving this is ‘cosmo-localism’. For Ramos: “Cosmo-localism, or ‘Design Global / Manufacture Local’, describes the dynamic potentials of our emerging globally distributed knowledge and design commons to play a major part in facilitating localized production and manufacture of goods”<sup>43</sup>. Ramos explains that cosmo-localism takes place when easily accessible designs are paired with localized and distributed production capabilities using breakthrough technologies, both virtual and physical, that facilitate local manufacture. He points out that it already exists today in many quickly maturing forms such as the Global Village Construction Set<sup>44</sup>, FabCity<sup>45</sup>, as well as medicines and other goods under Creative Commons licences. Ramos points out that potential benefits include: driving the development of localised circular economies; making a city or region more resilient; generating local jobs and skills; and driving the reduction of imported goods. Ramos also discusses strategies for developing cosmo-localism and makes a series of policy recommendations. TSI would like to suggest that there would be merit in giving consideration to these strategies and policy recommendations in the context of ‘grown up’ devolution.

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<sup>39</sup> Schneider N, ‘Platform Cooperatives for Democratic Cities’, in Ramos J M, Ed, ‘The City as Commons: A Policy Reader’, 2016, <https://cdn5-blog.p2pfoundation.net/wp-content/uploads/city-as-commons.pdf>.

<sup>40</sup> <http://internetofownership.net/>.

<sup>41</sup> We note that a two day conference in February – Open 2017 - will focus on the practical steps needed to set up platform coops and accelerate their growth, <https://www.eventbrite.co.uk/e/open-2017-platform-cooperatives-tickets-28745553725?aff=opendemocracy&afu=192502694801&discount=10-percent-off>.

<sup>42</sup> See, for example, Jacobs M and Mazzucato M, ‘Rethinking Capitalism: Economics and Policy for Sustainable and Inclusive Growth’, 2016.

<sup>43</sup> Ramos J, ‘Cosmo-localism and Urban Commoning’, in Ramos J M, Ed, ‘The City as Commons: A Policy Reader’, 2016, <https://cdn5-blog.p2pfoundation.net/wp-content/uploads/city-as-commons.pdf>.

<sup>44</sup> [http://opensourceecology.org/wiki/Global\\_Village\\_Construction\\_Set](http://opensourceecology.org/wiki/Global_Village_Construction_Set).

<sup>45</sup> <http://fab.city/>.

