

Senedd Cymru

Pwyllgor yr Economi, Masnach a Materion Gwledig

Ymchwiliad: Yr Economi Sylfaenol

Cyf: FE01

Ymateb gan: Grŵp Resilience

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Welsh Parliament

Economy, Trade, and Rural Affairs Committee

Inquiry: The Foundational Economy

Ref: FE01

Evidence from: Grŵp Resilience



Foundational economy consultation response

What I read/ did not find

I struggled to find substantial issues and questions and failed to find data / statistical information.

The consultation says its about the foundational economy but then it seems to be just about public procurement

There was much criticism and evidence of difficulties or failures, I did not find the evidence or case studies of success.

Observations from recent research done by my organisation

In my area, west Wales, businesses and much of civic society care about the local economy, want to buy local, and fail or only succeed in part.

Asked why, cost and/or convenience are almost always the reasons (maybe 80 to 90%)

Nonetheless people also buy local and many mostly small businesses exist because of this demand. They are small partly because they are relationship based which is easier when small, and people shop hyper local eg for a plumber, baker, carer. They can trust people who are part of a geographic nearby community.

Key to local buying is relationship. Customers have a relationship to supplier and vice versa. There is face recognition.

Relational transaction does the job of regulations. Betrayal of the relationship would destroy the business. The supplier sells because their principles are trustworthy

People who seek trustworthy businesses tend to care about both social and environmental standards. Most relational businesses are keen to develop credentials for both.

Local businesses do collaborate, and compete. They tend to compete within a collaborative framework, eg shops in a town unite to support positive events, or a needed business coming to the town or to oppose perceived risks to the town, help each other out, but also compete for customers, pinch ideas.

Still, the great majority of spending is into the corporate global economy.

Conclusions / suggestions

Supporting the foundational economy mainly by public procurement seems impractical and insecure.

The foundational economy has overlap with a fossil fuel free economy, its distributed nature makes tapping into distributed energy generation and non fossil transport practical. There is good overlap with a durable, swapping, sharing and repairing economy and with local resource use eg for building materials, wood fuel, food, waste processing, electricity generation. It synchs with a circular economy.

For example we provided a short range low purchase cost electric van to a horticulture business which delivers full loads daily. It is fuelled almost entirely by on-site renewables. This could be repeated for most foundational economy small rural businesses, freeing most of this economy from fossil fuel transport. The vans were bought taking advantage of the plummet in second hand prices.

Most public procurers and policy makers are city based making procurement of land based products and services harder due to the distance and lack of community relationship. It must be very hard for them to imagine how things could be different. When you are in them, cities seem the norm, when you are not, they seem like an aberration, a cancer. Market towns by contrast feel closer to the right size due to the hinterland that feeds them and to which they provide a hub.

Our modern conurbations are a product of the fossil fuel age and global economy supplying the basic staples. For all sorts of reasons we should restore our life support economy of staples from the natural resources around us.

The first step is to recognise this.

How to transition can only be determined by civic society as a whole, anything top down and imposed will end badly. There is no shortcut to deliberative inclusive democracy.

As an immediate urgent step, the land around existing towns, cities and large villages should be safeguarded from other development, to meet the essential needs of the settlement within it.

The land's specific use, whether horticulture, waste processing, parking, events, resource storage, renewables, can be determined later with and ultimately by the residents whose needs it will meet.

In short it is the job of government to build and support the foundational economy by providing what it needs to thrive independent of public procurement.

Of course public money should only go to businesses delivering social and environmental value to the people governed. To spend it otherwise would be counter-productive. One of the first places to correct this is in public pension investment where much (most?) of the money is busy undermining all the good that government tries to do.

So sorry if this is not helpful or what you are looking for. And for its length.

Vicky Moller, Grwp Resilience