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# Sustainable Development Impact Assessment:

Explanatory notes for version 3

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# Measadh Buaidh Leasachadh Seasmhach:

Nòtaichean mìneachaidh  
air tionndadh 3

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# Introduction

## What is sustainable development?

The term 'development' refers to the way in which societies evolve and progress, and 'sustainable' to something which can continue in the long term. So 'sustainable development' means societal development for very long term survival and wellbeing.

After 1945 it was observed that the rapid post-war economic growth in some parts of the world was socially and ecologically damaging. Initially, these were separate social and ecological critiques of the economic system. Evidence that many human societies were developing in ways that undermined both the wellbeing of their members, and of the ecological systems that sustained them grew, and gave rise to the idea of different, sustainable, forms of development<sup>1</sup>.

These notes provide some information on the concepts contained in version 3.2 of the Scottish Parliament sustainable development impact assessment (SDIA) tool.

## Which version of the tool should I use?

The SDIA tool can help to improve both scrutiny and operational decision-making by enabling users to unpack a topic in a holistic way that reduces silo thinking, thus supporting 'joined-up thinking' / policy coherence. However, as with any tool, the rule of 'garbage in, garbage out' applies, and poor usage of the tool will likely result in poor decision-making. **It is strongly recommended that any team using the tool request the support of an expert SDIA facilitator for the first few times.**

[Version 3](#) of the SDIA tool is recommended for use within the Scottish Parliament.

We recommend the use of [version 2](#) for other use organisations. For more information please email [spice@parliament.scot](mailto:spice@parliament.scot).

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<sup>1</sup> Purvis, B. et al 2019: *Three Pillars of Sustainability: in search of conceptual origins*, Sustainability Science 14(3):681-695.

# Introduction

## **What's new in version 3 of the sustainable development impact assessment tool?**

The Scottish Parliament has been working to mainstream sustainable development into its scrutiny processes since its inception, and our sustainable development impact assessment (SDIA) tool provides one method of supporting this. Commitments to mainstream other matters, including human rights, equalities, participation and climate change, have also been made over the years, but as with sustainable development (SD), success has been patchy.

As SD is about the entirety of societal development, versions 1 and 2 of the SDIA tool did draw out policy impacts on climate, participation, equalities and human rights. However, version 3 places more emphasis on these matters, to support more explicit scrutiny of all mainstreaming topics, and highlight their interconnection. The Session 5 Conveners' Group and Environment, Climate Change & Land Reform Committees recommended the use of the tool in support of scrutiny (see Appendix 1).

## **Why consider mainstreaming topics together?**

There are lots of reasons for doing this, chiefly:

The whole Parliament and/or individual committees have made commitments to mainstreaming each of these topics. We also have various statutory duties relating to mainstreaming, i.e. embedding the consideration of all these matters into scrutiny systems and processes.

Each of the mainstreaming areas listed seeks to enable people to meet their needs and to support wellbeing, so they fit well together. In fact, they all overlap to a significant degree. For example, according to the United Nations Office of the High Commissioner for Human Rights, 'It is increasingly recognised that human rights are essential to achieve sustainable development.'<sup>2</sup> The differences between these areas lie in their various perspectives and scopes (see Table 1, below).

This is a new way of doing things in the Scottish Parliament, and it is hoped that rather than some areas being focussed on, and others forgotten, taking a more holistic view will reduce unintended consequences and support decision-making for better outcomes.

In addition, considering these areas together can reduce bureaucracy. Discussions with civil service colleagues have highlighted that where several impact assessments are required, efforts to carry out impact assessments tend to be diluted. Third, and perhaps most importantly, rather than each area competing for attention, it is more efficient for all to work together, especially given that they are all seeking to increase wellbeing.

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<sup>2</sup> <https://www.ohchr.org/en/issues/SDGS/pages/the2030agenda.aspx>

# Introduction

**Table 1: Mainstreaming Topics**

This table provides a comparison of some of the features of the areas that this gateway impact assessment tool highlights. It may be useful to note that each of these areas is normative – this means that it has a view of how things should be.

For example, ‘equalities’ is shorthand for a set of ideas about the fair treatment of people. Generally, concepts like ‘sustainable development’ arise in response to a problem, and also describe the solution, so the table starts by outlining the problems each mainstreaming area seeks to address.

	Participation	Equalities	Human Rights <sup>4</sup>	Climate Change	Sustainable development
<b>What is it the problem?</b>	Some people may not be enabled to be involved in decisions which affect them.	Some people are treated unfairly, based on assumptions about characteristics such as gender or social status, or because they are perceived to be different.	Some people’s rights are not upheld and/or they are not enabled to make and defend claims about their needs.	Some human activities are causing global warming, which is disrupting the planetary systems we depend on and exacerbating societal unfairness.	Some human activities are disrupting the planetary systems we depend on and causing societal unfairness.
<b>Normative assumption (ideal)</b>	People should be able to have a say in decisions that affect them.	People should not be unfairly discriminated against.	There should be a balance of power between individuals and the society they live in.	Humans should be able to survive and thrive into the future. We should not damage the planetary systems which enable this.	
<b>Perspective</b>	Societal/individual: governance processes should include any who wish to be included.	Societal/individual: all groups in society deserve the same respect.	Individual: society should uphold, enforce, and balance the rights of individual humans.	Holistic: humans are one species among many that interact with each other and the environment. Our wellbeing is intimately interlinked with that of other humans and other species.	
<b>Change required</b>	Ensure decision-making processes are inclusive and participatory.	Eliminate unfair discrimination in society.	Institute enforceable rights for all members of society.	Ensure human activity does not disrupt planetary systems, or result in societal unfairness.	
<b>Desired outcome</b>	Human wellbeing			Social-ecological wellbeing	

<sup>3</sup> Blunden, A., 2012: *Concepts: a critical approach*, Brill, Leiden.

<sup>4</sup> Drawing on Ivison, D., 2014: *Rights*, Routledge, London.

# SDIA themes

Below is some basic information about each of the themes in the Sustainable Development Impact Assessment (SDIA) tool.

**This information is by no means comprehensive. Expert facilitation is strongly recommended for the first few uses of the tool.**

**Please email [spice@parliament.scot](mailto:spice@parliament.scot) for more information.**

Sustainable development (SD) is a normative concept<sup>5</sup> – this means that it is an idea about how things ought to be. However, unlike many ideologies, it is evidence-based. This means that while it envisions a future where humans live in fair societies within environmental limits, it does not tell us how. Instead SD practitioners try to find out what works, which could be very specific to the situation in question.

As briefly outlined in Table 1 (above), all the mainstreaming areas are normative.

**The aim of the SDIA tool is to ask questions about the kind of issues that can affect the ecosphere, society and individuals, and so make an impartial, politically neutral assessment.**

Following are notes on each section of the SDIA tool.

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<sup>5</sup> **Sachs, J 2015:** *The Age of Sustainable Development*, Columbia University Press, New York.

# SDIA 5.1: living within environmental limits

Environmental limits is a technical term which refers to the amount of resource that we can take from, or pollution we can put into, the environment without damaging its ability to provide for our needs.

For example, human-induced global warming is caused mainly by us putting greenhouse gases such as carbon dioxide (CO<sub>2</sub>) into the atmosphere e.g. by burning fossil fuels like coal and oil. Scientific evidence and modelling tell us that it is very likely that if CO<sub>2</sub> equivalent (CO<sub>2</sub>e)<sup>6</sup> levels reach more than 450 [parts per million \(ppm\) of the atmosphere](#), climate change will become dangerous to us.<sup>7</sup> Dangerous climate change is a threat to our survival. For example, it's highly likely to threaten our ability to grow food. So, a CO<sub>2</sub> concentration of 450 ppm can be considered to be an environmental limit.

## 5.1A Local environment

The local environment refers to what is in people's immediate vicinity. This includes both the built and natural environment. These do interact with each other, for example changes in the built environment, such as new roads, can change the way people travel and the resultant emissions from transport.

The local environment can have a social impact. For example access to [green space](#) can improve human health, including by allowing for communal spaces and venues where people can interact more easily with each other, and so on.

It may be useful to consider any potential local impacts of global problems such as climate change.

## 5.1B Use of materials and energy

Everything we do entails the use of some materials or energy. This can have various environmental and social impacts, depending on:

- where the materials / energy came from, and how they were extracted;
- whether any wastes are produced, their quantity and environmental impact, and what happens to them.

## 5.1C Ecosystem services

An ecosystem is made up of living organisms and their non-living environment. So, for example a marine ecosystem might include fish, corals, plankton, etc. as well as the sea, the seabed, tides, etc.

Ecosystems are critical to human wellbeing because they provide us with everything that we need to survive and prosper. This includes clean air that we can breathe, water we can drink and fertile soils, and a stable climate in which we can grow food, etc.

Ecosystems provide us with the material basis for life, as well as some social and cultural benefits. These are called ecosystem services. Here is a simple example based on a plant:

The plant uses sunlight, water and nutrients from the soil to make energy and grow. This provides us with:

- food from its fruit, leaves and roots;
- fibre from its stem, which we weave into textiles;
- fuel when it is dried, which can be used for heating and cooking;
- its remains, which break down and help to replenish the soil.

The plant also takes up CO<sub>2</sub> from the atmosphere, helping to stabilise the climate, and releases oxygen, which we need to breathe.

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<sup>6</sup> The global warming potential of greenhouse gases varies, so in total, they are expressed as carbon dioxide equivalent.

<sup>7</sup> **Rockstrom, J. et al 2009:** A safe operating space for humanity, Nature 461(24): 472-475.

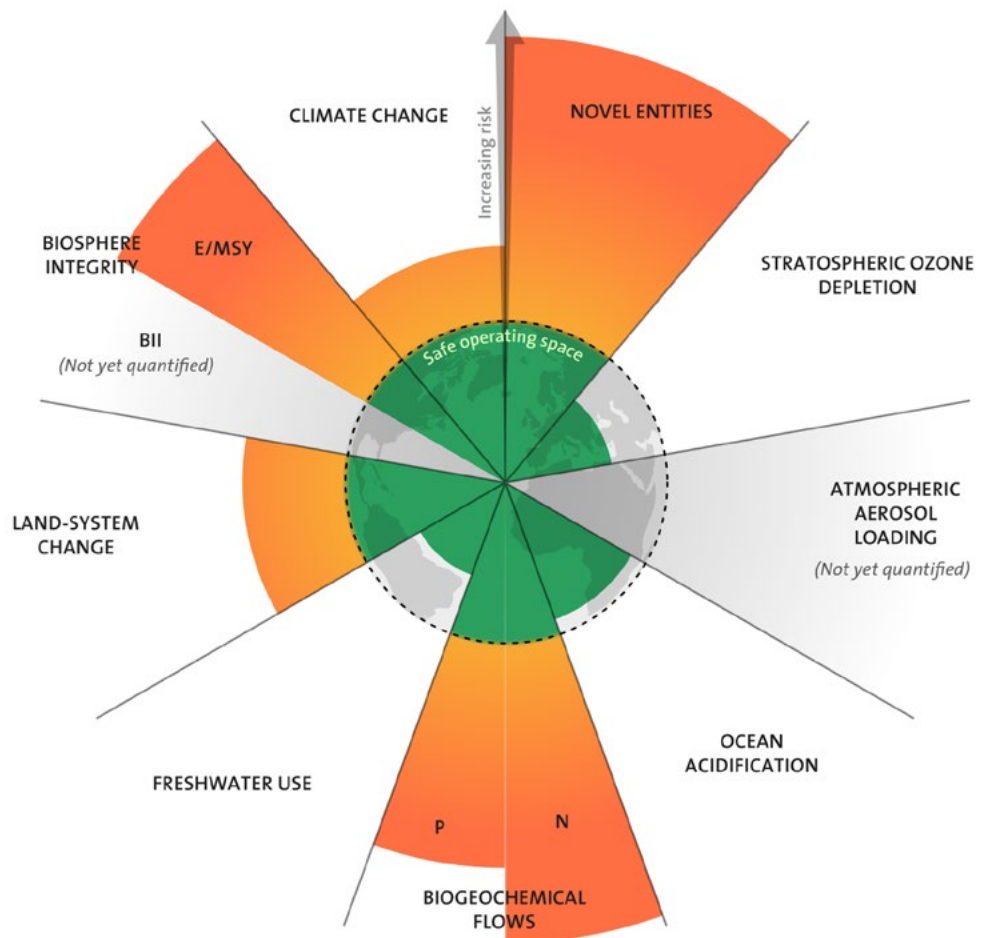
# SDIA 5.1: living within environmental limits

## 5.1D Planetary boundaries

Although environmental change is constantly going on, for many millennia, conditions on Earth have been relatively stable. This period, known as the Holocene epoch, 'is the only state of the ES (earth system) that we know for certain can support contemporary human societies.'<sup>8</sup>

Complex ecological systems operate at a global level to maintain this stability. One example is the global ozone cycle in which oxygen, produced by living organisms, interacts with ultra-violet (UV) radiation to maintain a stable layer of ozone high up in the atmosphere. The ozone layer absorbs ultraviolet (UV) radiation from the sun, which is harmful to human and other life. Damaging it can lead to holes such as that above the Antarctic, which let in too much of the type of radiation (UV-B) that harms human and other life. For example, in humans, overexposure can cause skin cancers and cataracts, and the damage it can cause to other life forms is a threat to the ecosystems that sustain us all.

**Figure 1:** Current status of the control variables<sup>9</sup> for eight planetary boundaries:



<sup>8</sup> Steffen, W. et al 2015: Planetary Boundaries: guiding human development on a changing planet, Science 347: 736.

<sup>9</sup> The term 'control variable' refers to what is measured to assess the status of a planetary boundary, e.g. for climate change it is the quantity of greenhouse gases in the atmosphere.

<sup>10</sup> Persson, L. et al 2015: Outside the Safe Operating Space of the Planetary Boundary for Novel Entities, Environmental Science & Technology 56(3):1510-1521 Outside the Safe Operating Space of the Planetary Boundary for Novel Entities



# SDIA 5.1: living within environmental limits

Human activity has been causing changes to the earth system which are making it less stable. To avoid destabilizing the earth system to such an extent that it threatens our societies, evidence suggests that we should not breach the integrity of certain planetary boundaries, which have been classified as safe levels of the following (shown in Fig. 1):

1. stratospheric ozone depletion
2. particles and droplets of pollutants in the atmosphere (atmospheric aerosol loading).
3. ocean acidification
4. flows of chemicals such as phosphorus (P) and nitrogen (N) through the living and non- living systems of the globe (biogeochemical flows)
5. freshwater use
6. land system change - the alteration of naturally-occurring terrestrial (land-based) ecosystems to e.g. cropland, urban land, etc.
7. damage to the integrity of the global system of interconnected living organisms ([biosphere](#) integrity)<sup>11</sup>
8. climate change
9. human-made / altered substances and life-forms in the environment (novel entities)

The authors of the 2015 assessment of planetary boundaries (PBs) explain that 'Two of the PBs—climate change and biosphere integrity—are recognized as “core” PBs based on their fundamental importance for the ES. The climate system is a manifestation of the amount, distribution, and net balance of energy at Earth's surface; the biosphere regulates material and energy flows in the ES and increases its resilience to abrupt and gradual change.' Significant transgression of either of these could have catastrophic effects on human societies and may even lead to their collapse.

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<sup>11</sup> E/MSY refers to the background extinction rate. That is the rate of species extinction between major extinction events. Here it is expressed the number of species that die out (E) every million species-years.

BII is the Biodiversity Intactness Index, which estimates the extent to which an area's biodiversity remains unaffected by humans: <https://www.nhm.ac.uk/our-science/data/biodiversity-indicators/about-the-biodiversity-intactness-index.html>

## SDIA 5.1: living within environmental limits

Figure 1, above, shows that some planetary boundaries have already been disrupted to the extent that pose an increasing risk to humanity – climate change and land-system change have exceeded safe levels. Other boundaries – the extinction rate, integrity of the phosphorus (P) and nitrogen (N) cycles, and the release of human-made and human-altered substances and life forms into the environment have been disrupted to such an extent as to constitute a high risk to us.

Disruption of planetary systems beyond safe levels can be exacerbated by the fact that planetary systems such as the atmosphere, climate, land, oceans, etc. interact with each other, so damage to one can damage others. For example, damage to the ozone layer can affect the climate system, creating [changes in precipitation \(rain, snow, etc.\) patterns](#).

This has knock-on effects for human health and society. For example, if rainfall patterns change, agriculture could be affected. This in turn could have effects on economic activity, migration and so on.

You can find more information here:

[Stockholm Resilience Institute](#)

[Planetary Boundaries: Exploring the Safe Operating Space for Humanity](#)

[Planetary Boundaries: guiding human development on a changing planet](#)

# SDIA 5.2 Ensuring a strong, healthy and just society

Researchers have found evidence that a sense of fairness, or aversion to inequity, might have developed as part of the evolution of co-operation. Humans and several other social species are successful precisely because they co-operate – as isolated individuals our chances of survival reduce dramatically<sup>12</sup>. There is also strong evidence that more equal societies are generally better for all their members.<sup>13</sup>

From the point of view of SD, a healthy and just society could be considered to be one whose members support each other (social capital) so that each has a fair (equitable) chance to meet their needs for their wellbeing.

## 5.2A Human rights and wellbeing

A right is a claim that must either be made and defended, or accorded to someone and upheld on their behalf. Rights arise from our biological and social needs (outlined below). For example, the first right enshrined in the [United Nations' Universal Declaration of Human Rights](#) is the right to life – which we all need for our survival.

Rights can help to balance the power of the individual against that of society. For example, the Session 5 proposal for a Member's bill on the right to food sought to ensure that all individuals in Scotland could access appropriate nutrition because our society was not providing adequately for this need to be met in a wealthy country where access to food is inequitable.

It is important to note that rights are products of the culture and society in which they arise, and reflect their values. They are moral principles/obligations, and as such, help to govern the way we behave towards each other. Rights exist in all societies, but vary according to culture. They can be enshrined in international agreements and legislation.

Human rights' are held by some to be:

- universal to all humans;
- inalienable, which means they cannot be taken away;
- indivisible, in that together they form a framework for meeting human needs.

**PANEL principles:** Human rights agreements and law are complex, and set at various levels from the United Nations (UN) level down. The Scottish Human Rights Commission advocates applying a set of five principles when considering policy:

- **participation** – the ability have a say in decisions which affect you;
- **accountability** – it should be possible to hold to account those who have an obligation ('duty-bearers') to ensure rights-holders' rights are fulfilled, and that effective remedies are applied when breaches occur;
- **non-discrimination** – unfair discrimination<sup>14</sup> should not occur, e.g. refusing someone employment on the basis of their ethnicity;
- **empowerment** – everyone should be able to claim and exercise their rights;
- **legality** – policy should be in line with the rights set out in law.<sup>15</sup>

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<sup>12</sup> **Randerson, J. 2013:** *Primates reveal a sense of fair play*, New Scientist - <https://www.newscientist.com/article/mg17924132-000-primates-reveal-a-sense-of-fair-play/> - accessed 26.06.2017.

<sup>13</sup> **Wilkinson, R. & Pickett, K 2009:** *The Spirit Level: why more equal societies almost always do better*, Allen Lane, London. See also [www.equalitytrust.org.uk](http://www.equalitytrust.org.uk)

<sup>14</sup> Note that 'unfair discrimination' is used here, as 'to discriminate' can mean to distinguish or differentiate (Oxford English Dictionary online, updated Oct 2021). It is a mental process, and can help to make choices. Some of these might be considered to be fair, such as choosing a candidate for a job based on skills, experience, etc. Some may be considered unfair, such as choosing a candidate based on their age. It might be useful to think about unfair discrimination in this case as choosing a candidate on the basis of a factor that is not relevant to their ability to carry out the job.

<sup>15</sup> [Human Rights-Based Approach - ENNHRI](#)

# SDIA 5.2 Ensuring a strong, healthy and just society

**Human needs:** In the 1950s, psychologist Abraham Maslow postulated that all human beings share the same fundamental set of needs, and that all our actions are motivated by the desire to try to meet these needs. In 1987, the World Commission on the Environment and Development defined sustainable development as ‘development which meets the needs of the present without compromising the ability of future generations to meet their own needs.’

According to Maslow, we have five groups of needs:

**Physiological** – things we need in order to function well physically e.g. clean air to breathe, safe water to drink, etc.

**Safety**, for example, a secure place to live, or knowing that your family is safe.

**Love / belonging** – the vast majority of humans need to belong to something like a family, a social group or some other organisation.

**Esteem** – self-respect and the respect of others.

**Self-actualisation** – being able to fulfil your individual potential or purpose. For example, some people might desire to excel at their profession or their hobby, others might seek moral or spiritual goals.

Another needs framework is that of Manfred Max-Neef:

Need	Being (qualities)	Having (things)	Doing (actions)	Interacting (settings)
<b>subsistence</b>	physical and mental health	food, shelter, work	feed, clothes, rest, work	living environment, social setting
<b>protection</b>	care, adaptability, autonomy	social security, health systems, work	co-operate, plan, take care of, help	social environment, dwelling
<b>affection</b>	respect, sense of humour, generosity, sensuality	friendships, family, relationships with nature	share, take care of, make love, express emotions	privacy, intimate spaces of togetherness
<b>understanding</b>	critical capacity, curiosity, intuition	literature, teachers, policies, educational	analyse, study, meditate, investigate,	schools, families, universities, communities
<b>participation</b>	receptiveness, dedication, sense of humour	responsibilities, duties, work, rights	cooperate, dissent, express opinions	associations, parties, churches, neighbourhoods
<b>leisure</b>	imagination, tranquility, spontaneity	games, parties, peace of mind	day-dream, remember, relax, have fun	landscapes, intimate spaces, places to be alone
<b>creation</b>	imagination, boldness, inventiveness, curiosity	abilities, skills, work, techniques	invent, build, design, work, compose, interpret	spaces for expression, workshops, audiences
<b>identity</b>	sense of belonging, self-esteem, consistency	language, religions, work, customs, values, norms	get to know oneself, grow, commit oneself	places one belongs to, everyday settings
<b>freedom</b>	autonomy, passion, self-esteem, open-mindedness	equal rights	dissent, choose, run risks, develop awareness	anywhere

**Table 2:** Max-Neef's framework of human needs.<sup>16</sup>

<sup>16</sup> Neef, M. in Ekins, P. & Max-Neef, M. 1992: *Real Life Economics: understanding wealth creation*, Routledge, London.

# SDIA 5.2 Ensuring a strong, healthy and just society

**Wellbeing** is another way of thinking about sustainable development.

There are two types of wellbeing, sometimes referred to as 'subjective' and 'objective' wellbeing. Subjective wellbeing is about happiness and life satisfaction – whether people feel good. Objective wellbeing is about being able to be, do or have those things which you feel you need (see the section on human needs above).

Oxfam Scotland has developed a [Humankind Index](#) of wellbeing. It was constructed by asking people in Scotland what is important for their wellbeing. These are the top things they said were important:

1. A safe, decent and affordable home.
2. Physical and mental health.
3. Living in a neighbourhood that you can enjoy and having a healthy environment
4. Satisfying (paid or unpaid) work.
5. Good relationships with family and friends.
6. Feeling that those you care about are safe.
7. Access to wild spaces, green spaces, social spaces and spaces for play.
8. Secure and suitable work.
9. Enough money to pay bills and buy what is needed.
10. A secure source of money.
11. Access to arts, culture, stimulation, learning, hobbies or leisure activities.
12. Having facilities that are needed locally.
13. The skills and education to live a good life.
14. Being part of a community.
15. Good transport to get where you need to go.
16. Access to high quality services.
17. Human rights, freedom from discrimination, acceptance, respect.
18. Feeling good.

You may observe that these are very similar to the fundamental human needs listed above.

There are many other measures and indices of wellbeing. Here are some useful links if you would like to find out more:

[Index of Sustainable Economic Welfare](#)

[New Economics Foundation: Wellbeing](#)

[Office of National Statistics: Measuring What Matters](#)

[Organisation for Economic Cooperation and Development Better Life Index](#)

## 5.2B Equalities and equity

In the language of sustainable development, equity is differentiated from equality. Equality generally means treating everyone the same, whereas equity refers to treating everyone fairly.

In some cases, equality is important for sustainable development – for example ensuring that there is equal access to employment regardless of ethnicity, sexuality, etc. In other instances, it is important to consider equity - as everyone is different and has different needs, equity is about recognising, understanding and ensuring that these differences are taken into account and differing needs are met.

For example, if we have one cake to share out among several people, rather than each person getting an equal share, it is more equitable for the cake to be shared out according to **each person's** needs. So if one of the people hasn't eaten all day, perhaps they should get a bigger piece of cake. Similarly, another is diabetic and shouldn't eat too much sugar, perhaps they should get a smaller piece, or be provided with an alternative.

There are two technical terms commonly used in the context of sustainable development. The first is 'intragenerational equity', which is taken to mean fairness among people who are alive right now. The second is 'intergenerational equity', which is usually about fairness between people living now and those who will live in the future.

## SDIA 5.2 Ensuring a strong, healthy and just society

So if Scotland gets all the cake and Malawi gets none, that is an example of intragenerational inequity. Whereas if Scotland and Malawi shared a cake between them on the basis of, say, nutritional needs and population sizes, that would be more equitable.

Similarly, if we take all the fish from the North Sea, leaving none for the next generations, that is intergenerational inequity. However, if we take only so much fish that those remaining can continue to reproduce, that might be equitable.

It is important to note, however, that in the language of equalities as a principle and practice that developed separately from SD, no distinction is made between the terms 'equality' and 'equity'. This practice focusses on ensuring that everyone has the same opportunities and life chances. Especial consideration may be given to those with 'protected characteristics' which are set out in the UK Equality Act 2010. People with these characteristics have suffered from unfair discrimination:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation.

### 5.2C Social Capital

Social capital is a way of describing the social assets that we have. These include connections with people – networks of friends, family, neighbours, communities, etc.

Social capital is very important for human wellbeing and for sustainable development as it means groups of people can help and support each other. This could be in small ways such as checking up on an elderly neighbour, or in bigger ways such as working together on a community project.

In communities with relatively little economic capital, social capital is particularly important and often very high, as people look after and rely on each other.

Measures that undermine social capital, such as removing a place where people meet, may not support wellbeing, whereas measures which help to maintain or improve social capital can help, e.g. improving skills within a community, so that it can further its aims.

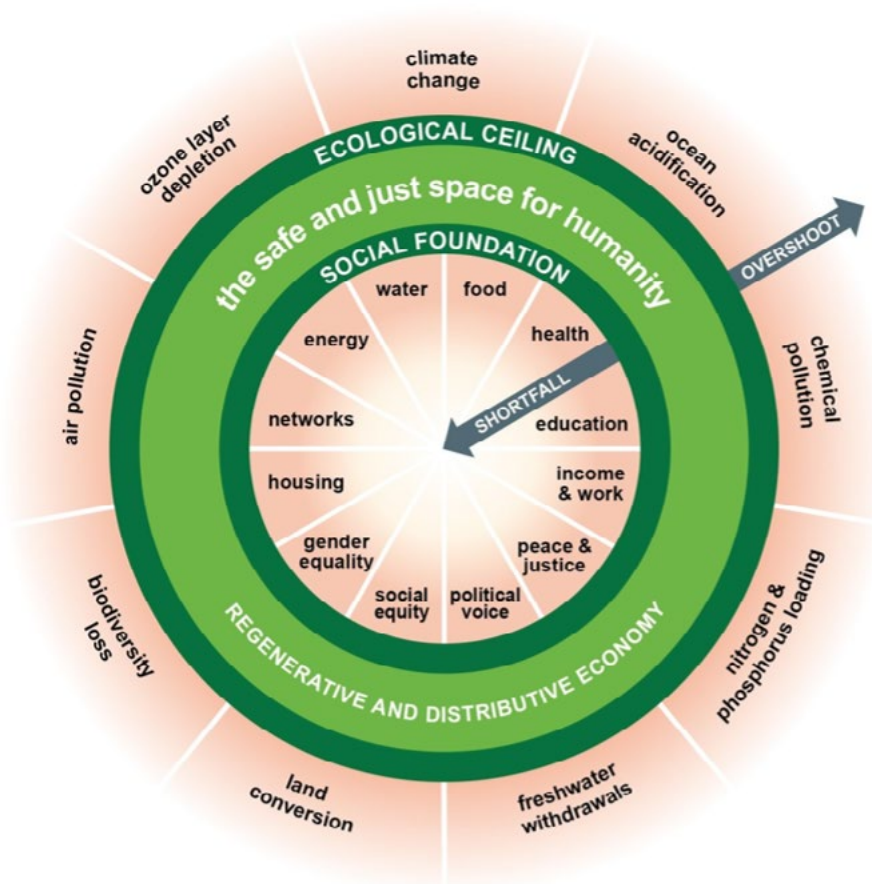
For more information, have a look at:

<http://www.oecd.org/insights/37966934.pdf>

## SDIA 5.3: Achieving a sustainable economy

A sustainable economy could be considered to be one which does not breach environmental limits, and helps people to meet their needs by fairly distributing income, access to resources, etc. A sustainable economy would therefore need to be resilient. This means it would not undermine itself through over-reliance on particular businesses, resources, imports or exports, or by damaging the natural resources on which it depends. For example, if an economy is very heavily reliant on fishing, but climate change and overfishing cause fish stocks to decline, livelihoods will be under threat.

Below is Raworth's 'doughnut' model of a sustainable economy<sup>17</sup>, in which both planetary boundaries and the minimum requirements of a just society are respected. They are referred to as the 'ecological ceiling' and 'social foundation' between which a safe and just space for humanity could exist.



<sup>17</sup> Raworth, K. 2017: *Exploring Doughnut Economics* - <https://www.kateraworth.com/doughnut/> - accessed 28.06.2017.

# SDIA 5.3: Achieving a sustainable economy

## A wellbeing economy

'The economy' is often thought about in terms of Gross Domestic Product (GDP), which is the headline indicator used by most states. In simple terms, GDP counts what is exchanged on 'the market'. So if we sell our labour, or goods that we produce, these are counted. Unfortunately, GDP also counts as positive goods and services which are exchanged to remedy ills that other economic activity has caused. For example, if a factory pollutes the air to make goods to sell, not only are the goods counted as positive, but also the medicines that are sold to people who become ill from the pollution, and the clean-up services that are sold to, say, local authorities.

A perhaps more accurate way of thinking about an economy is as the way in which we collectively meet our needs. For example, if you think of a household as an economic unit, its members collaborate and share to meet all of their needs. They might benefit from the income of one member, and the domestic labour of another, and care they take of each other. GDP would count the former as positive, but the last two not at all.

A wellbeing economy would be an economy which is focussed on meeting its members' needs rather than on exchanging commodities on 'the market'. Its aim would not be growth, but wellbeing.

## 5.3A Livelihoods

A person's livelihood is the way in which they make their living. The security of someone's livelihood could depend on things like the terms of their employment, e.g. a permanent contract, or a zero-hours contract. It could also depend on the natural resources their work is based on, e.g. a fisher's livelihood relies on fish stocks. Finally, it could depend on socio-economic factors, such as the wider management of the economy or labour law.

The [International Labour Organisation](#) states that 'Decent work sums up the aspirations of people in their working lives.' Ideas about decency may vary, but are mainly about working conditions that are humane, fair, and fulfilling.



# SDIA 5.3: Achieving a sustainable economy

## 5.3B Resilience

Resilience is defined as the ability to withstand shocks and stresses. At a personal level, resilience could relate to, e.g. your ability to cope with heatwaves, disease, fatigue, etc. Economic factors play a strong role in societal resilience. For example, a farmer who depends only on potatoes as a crop may be less resilient than one who grows a range of crops – if environmental conditions mean that potatoes fail in a given year, the monocropping farmer might be worse off than the one with the more diverse farm.

Similarly, communities that rely heavily on a single large multinational employer might be less resilient than those where there are a range of employers, including local businesses. If the multinational decides to terminate its business, the community could be at risk. The risk could be greater as a multinational is more likely to be removing money from the local economy. On the other hand, a community based on small businesses could be more vulnerable to poor economic decision making at the national level.

Ecological change, such as global warming, could affect both livelihoods and resilience.

## 5.3C Society

Economic factors impact on society, particularly in terms of the distribution of resources, services, wealth, income, etc. For example, taxes that require everyone to pay the same amount could affect those with lower incomes more. This can be exacerbated if the taxes are used to improve conditions for those who are already well-off e.g. by improving roads where better-off people are more likely to be car owners.

## 5.3D Environment

Economic activity can affect the environment. Often this is because the true cost of using natural resources is not factored into economic decision-making. For example, logging might be considered economically viable if cutting trees and selling them is profitable. However, this doesn't take into account the benefits that the trees might be providing, e.g. climate and water table stabilisation.

# SDIA 5.4: Promoting good governance

For development to be sustainable, good governance would need to ensure that anyone who wishes to participate in decision-making is able to do so. It would require institutions and public policy that reflect the social and ecological values of sustainable development.

## 5.4A Participation and accountability

The ability to participate in decision-making is a fundamental human need – see 5.2A above. However, it is important to note that the evidence about participatory democracy is mixed.<sup>18</sup>

Participation is one of the PANEL principles for a human rights based approach (see 5.2A).

Broader participation in society is also a fundamental human need (see Table 2), and is set out as a human right in the [Universal Declaration of Human Rights](#) as ‘the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits’ (Article 27). This also relates to equalities, in that exclusion from society or social activities can be a form of unfair discrimination.

Accountability refers to the ability of policy / implementation and their impacts to be interrogated, and of the decision-maker/s to explain their decisions, and be held responsible for them.

## 5.4B Institutions

Good governance is reliant on effective public institutions, and particularly on joined-up (coherent) policy. Where policies within or between institutions undermine each other, SD is less possible. For example, say one institution is seeking to grow the food industry to increase GDP, which might include increasing demand of higher ‘value-added’ processed foods, while another is trying to reduce obesity by improving the food system. If an integrated solution is not found, overall outcomes may be less beneficial than anticipated – society’s gains in wealth could be compromised by the cost of obesity-related illness. Thus, the end result may be limited net gain.

## 5.4C Economy

In order for development to be sustainable, economies would have to be governed in such a way as to ensure that economic access, benefits and disbenefits were fairly distributed and that in the long term they remain within environmental limits.

## 5.4D Environment

Sustainable environmental governance would require human activity to be managed so that the natural resources, including ecosystem services, on which we rely are protected. An example is management according to the principles of maximum sustainable yield. This the maximum amount of a renewable resource that can be taken over a given time period without affecting the ability of that resource to regenerate. So, in the case of fishing, only so many fish of a particular species can be taken in a year, before the remaining population becomes too small to reproduce enough to replenish itself. A more sophisticated approach might be [adaptive management](#).

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<sup>18</sup> Kern, A. & Hooghe, M. 2018: *The effect of direct democracy on the social stratification of political participation: Inequality in democratic fatigue?* Comparative European Politics 16(4), pp. 724-744.

# SDIA 5.5: Using sound science responsibly

As noted above, in order for development to become more sustainable, and for policy to achieve what it sets out to, it must be based on sound evidence.

## **5.5A Evidence for the policy**

In particular, it is important to consider whether there may be any unintended or negative consequences, or barriers to effectiveness. In the case of bills, the detail of provisions, including definitions, is important – how could these be interpreted and used, and would those uses and interpretations lead to the intended outcomes?

Opinion and lived experience are forms of evidence as well as science and data. It is important to consider whose views are relevant to the policy, and whether any action needs to be taken to enable them to participate in the decision-making process.

## **5.5B Monitoring and accountability**

Some policy / legislation can include measures for improving knowledge. If it is being made in an area in which increased knowledge or understanding would be beneficial, then mechanisms for ensuring the relevant information is gathered / processed should be considered.

Understanding whether policy / legislation has been successful in achieving its intended outcomes is important, especially if the results are not as envisaged. Good monitoring / evaluation can help to understand why measures may not be working, or why a particular outcome is no longer desirable. This can help to develop, improve or update policy.

# Appendix I: formal recommendations to use the SDIA tool to support scrutiny

The following recommendations were made in Scottish Parliament Session 5 legacy reports:

**‘Sustainable development is perhaps the most prominent of cross-cutting issues, wide-reaching in its scope and interpretation, covering environmental, climate change policy areas but also of relevance to the equal opportunities and public participation agenda. In Session 5, some committees used the lens of sustainable development to inform this integrated approach to scrutiny. This will be an area of increased focus in Session 6 and work is underway to produce an impact assessment tool, along with guidance for Members and officials, to help them with their work. In terms of public policy impact, the Group recommends that committees will want to look both at their own practices and also the obligations on the Government. Conveners’ Group Legacy Report, Session 5, para.19**

**‘Section 44 of the Climate Change (Scotland) Act 2009 puts a legal duty on public bodies, including the Scottish Parliament, in exercising their functions, to act in the way best calculated to contribute to the delivery of Scotland’s climate change targets, and in a way that it considers is most sustainable. This means it is incumbent on the Scottish Parliament to build sustainable development thinking in its scrutiny. Progress has been made during this session on how to use sustainable development thinking to improve how the Parliament scrutinises the Government and makes law, and how the Parliament meets statutory duties under the Climate Change (Scotland) Act 2009 . The Committee has supported the development of a Sustainable Development Impact Assessment Tool, used to frame discussion of policy or legislation and highlight the interaction of socioeconomic and environmental issues. This was used to underpin the Committee’s inquiry work and sustainable development thinking framed our Green Recovery work. The Committee considers that this could be used as a ‘gateway’ assessment tool for successor committee(s), and all committees, to incorporate progress towards the Sustainable Development Goals and meet the statutory and other requirements on Parliament to take a human rights approach, and to embed equalities within scrutiny.’**

**Environment, Climate Change & Land Reform Committee Legacy Report, Session 5, para.55**

