

# **Towards a Green Jobs Strategy: Opportunities for Business. Consultation Response.**

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**Sustainable**  
Development Commission

## **Towards a Green Jobs Strategy – Opportunities for Business Consultation Response from the Sustainable Development Commission**

Scottish Commissioners welcome the commitment from A Partnership for a Better Scotland to “work with business to develop and implement a green jobs strategy,” and this opportunity to respond to the consultation on that strategy.

We do, however, believe there are mixed messages in seeking “to maximise the conditions for economic growth” and “act(ing) to raise the long term sustainable growth rate of the economy”. We do not believe that a sustainable economy necessarily needs to seek maximum growth as a measure of success. But building a strong, stable and sustainable economy which provides prosperity and opportunities for all, and in which environmental and social costs fall on those who impose them and efficient resource use is incentivised, is vital.

We believe there is a fundamental problem with the term ‘green job’. The phrase is not only difficult to define, but deeply unattractive to the majority of businesses. The Deputy First Minister and Minister for Enterprise and Lifelong Learning spells out in the introduction of the consultation document that the policy driver for this work is positioning Scotland to take advantage of the “market for sustainable development”.

Instead of seeking to develop a separate strategy for green jobs, we believe that this work should be integral to A Smart, Successful Scotland. This strategy could then genuinely be called A Smart, Successful, Sustainable Scotland.

### **Q1 - In which sectors do you see most scope for development?**

We agree that Renewable Energy, Recycling and Resource Efficiency offer very significant opportunities for the creation of new jobs. However, we believe that the following sectors, some of which have been addressed in the consultation paper, also offer very significant opportunities and that these should be included in the development of the Strategy.

#### *Agriculture*

Scotland and the UK have very low levels of farm employment – in fact outside the crofting counties, the lowest in the world apart from Singapore, which has no farmland to speak of. This is the result of one-dimensional policies - and the EU Common Agricultural Policy in particular, that until recent reforms paid producers mainly for the amount of food they produce, neglecting the other social and environmental benefits contributed by farming. Industrial farming produces a lot of food with very few people.

There has been surprisingly little research into the job-creation impact of different types of food production. But the few studies that have been published show a strong link between an increase in employment and sustainable agriculture.

According to a study by the sustainable food and agriculture group Sustain, there would be a huge jobs dividend if the UK were farmed organically. A survey of organic farmers as part of Sustain’s research showed that after conversion, organic farms provided on average over ten per cent more jobs than when they were farmed conventionally – which, if replicated nationally, would give a total increase in employment of some sixty thousand jobs.

Evidence from elsewhere confirms the trend: academic research in continental Europe has concluded that ‘most commonly, labour use is on average 10% to 20% higher on organic farms’ than conventional.

Individual case studies show far greater increases. Former Sustainable Development Commissioner Helen Browning’s farm employed six people (including two family members) before it converted to organic, and eleven afterwards – plus a further dozen in marketing, through a shop and mail-order. Leading Scottish organic farmer William Rose, producing organic vegetables on the Moray coastal plain, increased his farm workforce from 1.5 jobs before conversion to five full-time once he was fully organic, with up to thirty additional summer jobs, mainly for students.

#### *On farm processing*

There is also a great deal more employment downstream – often also located on the farm. Many small businesses flourish through developing on-farm processing and innovative marketing – such as box schemes (where a box of vegetables is delivered direct to the consumer’s door), farm shops, mail order and farmers’ markets. All provide good food at prices that compare well with large retailers, and far more jobs than the dominant model of industrial-scale packaging, processing, centralised distribution and retailing.

A doubling of the area under horticulture, to reduce the UK’s heavy reliance on imports of produce we could perfectly well grow here, could create a further twelve thousand jobs, according again to research by Sustain.

#### *Rural conservation*

Policies supporting farm conservation and more diverse land use – like the Scottish Executive’s Rural Stewardship Scheme - also support new jobs. The Welsh scheme Tir Cymen created over two hundred jobs in three small pilot areas, and the native woodland scheme run by Coed Cymru supports almost a further three hundred.

Alongside conservation come jobs in tourism. The RSPB employs eleven people at the Abernethy reserve on Speyside, and estimates that the nearly £2 million spent each year by site visitors equates to nearly seventy more jobs in the local economy. The geese of Islay and corncrakes of Coll put tens of thousands of pounds into agricultural businesses, and bring more far more still in tourist spending on the islands. The wildlife of Orkney is calculated by the RSPB to account for over thirty full-time jobs through tourism in the local economy.

#### *Renewable energy*

Nearly 40% of UK carbon is emitted to keep people warm - more than either electricity generation or transport. Yet compared with these others, it is much less well understood.

Mains gas is the dominant mode of space heating in Scotland, and likely to remain so for the foreseeable future. In areas without it, oil, LPG, solid fuel, and electricity are all used instead. Renewable space heating is becoming more popular, and has an enormous potential role. While warmth through wood has been commercial in Scandinavia for nearly half a century, until around five years ago it was unheard of commercially in Scotland. A handful of companies now operate in this market.

Wood-chip technology is heating community halls, hospitals, housing schemes, holiday homes and offices, mainly in the Highlands. It needs a boiler, burner, feed auger and fuel storage hopper. It is highly responsive to changes in demand for heat, and the products are small quantities of fine ash, the pleasant smell of wood-smoke, and heat aplenty – produced at over 80% efficiency (electricity generation, by contrast, struggles to reach 30%).

The raw material is usually sourced locally, so transport is minimised. Using wood biomass as a fuel source is carbon neutral, helps the beleaguered forestry industry, adds value and cuts waste. In areas without mains gas, the cost of warmth from wood is consistently less than the alternatives. While we are not aware of any research on comparative employment levels, it has the potential to provide a great many more jobs than in conventional energy supply industries, mainly located locally to where the heat is used. As an industry, it would also be well-suited to establishment of targets for growth by the Scottish Executive, akin to those it has set for other types of renewable energy.

#### *Construction and Sustainable Design*

We believe that significant changes are required in the way the construction industry operates and in the materials used if we are to achieve sustainable development. There is a need for improved performance, particularly in the use of sustainable materials, better insulation standards and improved efficiency of heating plant and in the minimisation of the generally unacceptable levels of building site waste.

The industry provides very clear examples of where sustainability and green jobs can be achieved by a broad combination of resource efficiency, waste minimisation and improved products and designs - leading to wide ranging economic, environmental and social benefits across Scotland. As the industry develops and as new markets are created for more sustainable materials (including recycled materials) new job opportunities will be created. The Strategy must consider means to promote these opportunities.

#### *Tourism*

The last decade has seen significant growth in green, ‘eco’ and nature tourism, but this has been slower in Scotland than elsewhere. The full benefits that tourism bring to the Scottish economy need to be more fully appreciated. Tourism contributes around £6.5 billion to the Scottish economy annually and part time tourism

jobs are vital to sustaining remote rural communities. The Strategy should identify opportunities for growth in Scotland. Scope also exists to tackle the negative impacts of tourism and initiatives such as the Green Tourism Business Scheme should be promoted.

**Q2 – Do you agree that the three “big wins” for Scottish business will be renewable energy, recycling and resource efficiency?**

We agree that these sectors will be significant in the short term, but we also believe that those sectors described in our response to question 1 will also offer very significant opportunities for Scottish Businesses in the longer term. We believe that the Green Jobs Strategy should focus on these longer term opportunities which will move Scotland towards a low carbon, sustainable economy.

**Q3 – What further opportunities are there for businesses to use recycled materials in their production processes?**

There is possibly an over-emphasis on recycling rather than on waste minimisation both in the document and in practice. The focus should perhaps be on wider waste markets. Municipal waste only accounts for about 25% of waste creation whereas construction waste is a huge contributor to waste.

The work of a number of organisations like WRAP and REMADE should continue to be encouraged but if we are to address the issues of sustainable waste management then minimisation must be the priority. Therefore the markets should also be attempting to stimulate demand for waste minimisation practices and technologies – not just recycling and use of re-cyclates. Organisation promoting waste minimisation will have an important role to play.

**Q4 - Are there other business opportunities we should explore?**

There is a range of opportunities as described in the response to Q1. An additional area could be further development of the co-operative sector. Co-operatives are based on the values of self-help, self responsibility, democracy, equality, equity and solidarity, and on an ethic of honesty, openness, social responsibility and caring for others. The Scottish Executive recently consulted on proposals for a Co-operative Development Agency and the Commission awaits the outcome of the consultation.

We believe that future economic development in Scotland will depend on the ability to tackle cultural and social barriers to entrepreneurship; and to promote innovative, imaginative ways of mobilising labour, capital and business ideas such as co-operative enterprises.

Co-operation and mutuality provide both the private and public sectors with a modern and innovative way of delivering services. Co-ops are a form of enterprise that can also provide important advantages at the micro economic level.

Co-operative enterprise can be a means of providing high quality services for users, who can also be members, and can influence the type of service provision in responding directly to customer needs. Through often being owned by their customers, Co-operative enterprises can be particularly responsive to consumers, and can contribute to both social and economic objectives through providing employment and services in places and in ways often not reached by more conventional businesses.

**Q5 - Is there sufficient awareness of the support and advice services already available to businesses on resource efficiency?**

**Q6 - How best can we raise awareness in the business community of the savings and productivity gains to be had by improving resource efficiency?**

**Q7 - Is there sufficient awareness of developing opportunities?**

**Q8 - How can we best ensure that businesses are aware of these opportunities?**

We believe that outwith the knowledgeable few there is probably a lack of general awareness of developing opportunities among businesses, and an even greater lack of knowledge of how to follow up these opportunities with product or service development.

There may be a need for a national promotional campaign to encourage businesses to use such services. We commend the work of organisations like BEP, but understand from BEP's experience that many companies are not aware of either BEP or any of the wider services available.

We believe that a national campaign is required to raise awareness and signpost businesses to such services. Some of this should be directed through trade organisations and industry exhibitions or via local partnerships. This could be through creative partnerships such as WRAP, Scottish Retail Consortium, and the Federation of Small Businesses, to reach the widest range of businesses.

The use of case studies and illustrations of how opportunities have been exploited is important. Information available from Business Advisers can be improved by providing them better knowledge. This should be supported by considerable advertising in mainstream business publications, with case studies demonstrating the real business benefits of improved resource efficiency and environmental performance.

**Q9 - Are there barriers to businesses wanting to expand into, or start up in, the 'green' sectors?**

**Q10 - What support to businesses need to overcome these barriers?**

**Q11 - Are there gaps in existing support?**

**Q12 - How can Government best support companies wishing to exploit these opportunities?**

As stated above, we believe there is a problem with the term 'green' when applied in the business sector. If we are to exploit the 'market for sustainable development' then we need to mainstream resource efficiency in all sectors of the economy.

Government at all levels can do a great deal to stimulate markets in products and services. For example, under the Hungry for Success work, new markets for low salt, low sugar food products have been created. If the public sector dominates the market for office rental, public sector demands for the highest energy efficiency standards could tackle CO<sub>2</sub> emissions with real effect. Imaginative use of public procurement within the 'best value' regime can deliver products and services that consider whole life costs, local sourcing and greater use of recycled products.

Barriers also include the need for a culture change so that green products are not seen as alternatives (possibly of inferior quality) but as mainstream products. The increase in availability and sales of goods that are organic or fairtrade demonstrate that consumers will make choices.

**Q13 - How can we best ensure we have the necessary skills within the workforce to develop and excel in green sectors?**

The Egan report, published in April 2004, provides an good summary of the need for greatly improved skills in a number of sectors in relation to sustainable development, in particular the need to develop generic skill sets amongst local professionals and local communities. Other core skills in planning, engineering, product development and environmental assessment are required. There may be scope for the Scottish Executive to examine the recommendations of the Egan Review alongside other work on skills development carried out in Scotland.

**Q17 - Are we using the levers at our disposal effectively enough to lead by example and help stimulate demand for the products and services offered by the 'green' sector?**

**Q18 - Is there more we could be doing to stimulate demand?**

It is imperative that the Scottish Executive and the wider public sector, including Local Government and the NHS, creates and stimulates markets if we are to get the uptake required. New markets can emerge through creative use of legislation and regulation. Measures such as the Landfill Tax and the Climate Change Levy have shown positive outcomes and should provide models for further fiscal incentives.

**Q19 - Do you agree with our suggest approach - a focus on measuring overall economic impact in terms of growth and sustainability?**

**Q20 - Can you suggest realistic alternatives for assessing the impact of the Green Jobs Strategy?**

As stated earlier we do not believe that a sustainable economy necessarily needs to seek maximum growth as a measure of success. Building a strong, stable and sustainable economy which provides prosperity and opportunities for all, and in which environmental and social costs fall on those who impose them and efficient resource use is incentivised, is what SDC believes Government should seek to achieve.

We endorse the BEP proposal on indicators which go beyond what is proposed in the consultation paper. The BEP propose the following indicators:

*Renewable Energy*

- number of renewable energy devices installed on commercial premises;
- number of renewable energy devices installed in public sector buildings;
- number of renewable energy devices installed in domestic properties;
- number of new companies created in the renewable energy sector (per annum)
- installed capacity of renewable energy technologies in Scotland;
- MWh of renewable energy generated per annum.

*Recycling and recyclates*

- tonnes of waste (municipal and non municipal) diverted from landfill (through waste minimisation, re-use and recycling) per annum;
- number of new businesses in recycling sector (per annum);
- % of recycled materials used in public sector procurement.

*Resource efficiency*

- number of companies receiving environmental advice;
- cost and (of?) environmental savings implemented;
- number of people employed directly by the providers of resource efficiency advice.

*Tourism*

- number of business certified through the Green Tourism Business Scheme;
- number of businesses offering 'green' tourism opportunities (e.g. wildlife tours, whale watching etc).

*Construction*

- % of recycled materials used in construction;
- tonnes of construction and demolition waste diverted from landfill.

*Agriculture*

- number of certified organic farms;
- number of organic production companies.

*Forestry / Biomass*

- tonnes of biomass used for energy production;
- tonnes harvested by paper / board industry.

In addition, SDC endorses the use of other, parallel measures to GDP such as the Index of Economic Wellbeing; and would welcome a discussion with the Scottish Executive on discussing our work on Redefining Prosperity.

Hugh Raven, Maureen Child, Raymond Young  
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