

ECONOMIC DEVELOPMENT COMMITTEE

29 November 2000: 2.00-5.30pm

Committee Room 1, National Assembly Building

Sustainable development & the National Economic Development Strategy

Purpose

1. To assist the Committee's discussion of the impact of the Assembly's sustainable development duty on the emerging National Economic Development Strategy (NEDS).

Background

2. The Assembly approved its Sustainable Development Scheme on 16 November in Plenary session. Since then it has been legally binding and the overarching framework for all of the Assembly's new and existing policies including NEDS. The Scheme emphasises the need to ensure that SD is integrated into everything the Assembly does and is not a 'bolt on' activity. It makes the point that our current way of living is unsustainable and that our progress can no longer be gauged by standard measures of economic growth alone. Indicators of sustainable development are currently being developed for the Assembly as an adjunct to the Scheme. These might include air and water quality, use of brownfield land, waste going to landfill, expected years of healthy life, traffic congestion, fuel poverty, energy and water consumption by business to name just a few.

3. The Assembly is committed to creating a more sustainable Wales. In the Scheme this is described as being:

- united, confident and creative
- committed to fostering its unique and diverse identity, and the benefits of bilingualism, while looking confidently outwards and welcoming new cultural influences
- prosperous, well-educated, skilled, healthy, environmentally and culturally rich
- served by modern, effective, efficient and accessible public services
- active in its local communities, where the voice of local people is heard
- fairer – a place where everyone is valued and given an opportunity to play a full part

- a place which values its children and where young people want to live, work and enjoy a high quality of life

which is seen as meaning:

- the environment being cherished and protected so that it remains healthy and biologically diverse, and can continue to support us all
- a self-sustaining economy which respects the environmental and social context of Wales and responds to sustainable development opportunities
- action to make our communities strong and viable, and people healthier
- people being enabled to play a part in taking decisions that affect them
- recognising the needs of all parts of Wales
- Wales contributing to sustainable development at a global level as well as a local

4. Consequently economic growth and competitiveness needs to be taken forward as part of the set of Assembly policies to pursue that vision, not as a separate and unconnected element. How we achieve growth and competitiveness will affect (and be affected by) other key policies on social inclusion, transport, waste, health, education and training etc. The development of NEDS will need to be taken forward with this firmly in mind.

5. As a starting point the Committee may like consider the following questions:

- what sort of economy should we seek to grow so that we can spot and grasp future opportunities where they arise, and respond to contraction or closures in key sectors when they occur;
- how can NEDS help deliver the social inclusion agenda and meet the needs of differing parts of Wales apart from helping to stimulate jobs? Is there scope for encouraging local supply chains, education and community links, recruitment and training of local labour force
- how and through what mechanisms can we enable existing companies - particularly SMEs - to take competitive advantage of the new SD growth sectors
- how can we ensure a match between economic development and local characteristics of the workforce, skills base, infrastructure and capacity of the local environment
- do current support mechanisms across all sectors provide for the type of economy we want to grow
- how will the development of NEDS affect and be affected by key policies such as
 - integrated transport
 - air pollution
 - waste
 - planning
 - health
 - education and training

Consideration

6. Sustainable development and a healthy, flourishing economy do not have to be in opposition to each other. Illustrating that sustainability is an increasingly necessary component of growth and economic success, the Chairman of Shell UK has said "*Companies not interested in sustainable development issues will not survive long*".

7. We can help this happen in Wales through NEDS. We need to:

- re-engineer existing opportunities for maximum benefits (eg the employment benefits from addressing our obligations in respect of waste)
- be proactive in looking for new opportunities that we have know are coming. We have to seek them out not wait for them to come to us. The Scheme has committed us to doing this in key SD sectors such as renewables, environmental goods and services etc
- build an economy that is flexible and responsive to change, to grasp opportunities in areas we can't yet predict. It will be vital to equip Wales through education, training, enhanced infrastructure, and support for innovation and entrepreneurship.
- specialise in finding and applying good practice, taking advantage of our unique duty to promote sustainable development, in order to establish a lead in the field.
- as the development of NEDS has major ramifications for our social and economic policies we must ensure that SD underpins it

8. We know that opportunities should arise for Welsh companies in potential growth sectors such as renewables, waste recycling and environmental goods and services. However, we do not yet know what numbers of jobs might be generated. Research would be needed in order to produce robust estimates, or to identify what would maximise commercial opportunities and numbers of jobs generated.

Cross cutting themes

9. The Scheme is the overarching framework for all of the Assembly's work and specifically underpins the work being done on social inclusion.

Action.

The committee needs to consider the implications of the sustainable development scheme for the NEDS and make recommendations to NEDS team on further consultation, investigation or matters to be included in the draft for consultation.

Contact: Lisa Dobbins, Sustainable Development Unit, extension 3818