

**Paper by Wales Wildlife and Countryside Link (WWCL)  
For Economic Development Committee meeting 21 March 2001**

**Sustainable Development as a Key Opportunity for the  
National Economic Development Strategy**

- 1.0 Wales Wildlife and Countryside Link (WWCL) is very grateful to be given an opportunity to address the Economic Development Committee during the consultation period on the draft National Economic Development Strategy (NEDS). This paper seeks to draw the Committee's attention to the main strategic directions that WWCL would like to see the NEDS address.
- 1.1 WWCL unites voluntary bodies whose primary aims include the conservation, protection or quiet enjoyment of landscape, heritage, wildlife or amenity in Wales. WWCL is an umbrella body comprising 30 organisations representing over 150,000 subscribing members of the public in Wales.
- 1.2 WWCL is keen to see Wales develop, grow and prosper. We see sustainable development as a key opportunity for economic development.
- 2.0 Sustainable Development**
  - 2.1 WWCL is keen to establish that sustainable development is an opportunity for Wales and its future, and that it should not be considered a threat to economic development. Sustainable development should deliver a "win-win-win" scenario.
  - 2.2 We recognise that GDP will remain a headline indicator for the NEDS. WWCL notes, however, that GDP merely measures the total money spent; it does not measure the value received. The NEDS needs to give GDP a sustainable development direction by stating clearly that "we want to get rich by developing Wales sustainably", or as the Minister for the Environment explained: "getting richer by making the most of our opportunities to be green". It would therefore be most useful to include alternative indices in the NEDS.
- 3.0 Strategic Directions**
  - 3.1 Using sustainable development as the overarching framework, WWCL would like to suggest three strategic directions for the NEDS:
    - **plugging the gaps (where Wales is currently losing potential economic activity)**
    - **marketing Wales by investing in sustainable development as the economy of the future**
    - **recognising the environment as an economic resource in its own right.**
  - 3.2 The rest of this paper expands on these three strategic directions.
- 4.0 Plugging the gaps (where Wales is currently losing potential economic activity)**
  - 4.1 One of the reasons why Wales lags behind the rest of the UK in terms of GDP is because of its lower rate of economic activity. The draft NEDS notes that

education and training are important factors in addressing this rate. WWCL agrees.

4.2 The draft NEDS makes fewer references to the fact that Wales suffers more than the rest of the UK and most of Europe from low life expectancy and ill-health (*Betterwales.com*, Appendix 1 paras. 19 – 21). Such factors incur economic dis-benefits, together with other factors such as road casualties and poor housing. WWCL very much hopes that the NEDS document will clearly identify cross-cutting issues, and will make specific and clear references to other NAW documents (e.g. Transport Strategy; Better Health, Better Wales), where these cross-cutting issues are addressed fully. These referenced documents should then also be taken into account when the success of the NEDS is assessed.

4.3 WWCL suggests that the following issues could be usefully addressed in the attempt to reduce the rate of economic inactivity:

- **Investing in public transport** – economic issues include transport infrastructure, number & severity of road casualties. More public transport and fewer cars getting people to work would result in a healthier and hence more productive and efficient workforce. Greater investment in integrated public transport would also assist people who do not have access to a car to be available for work.
- **Improving the housing stock by increasing energy efficiency**, by making greater use of low-impact designs. Energy efficiency measures reduce unnecessary household expenditure (which serves to increase disposable income), and can contribute to general health and well-being (and therefore increase capacity for economic activity). This also applies to commercial buildings. Energy efficiency schemes using wool and recycled paper products have great potential as job creators in Wales.

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| <ul style="list-style-type: none"><li>• Buying photovoltaics is like buying over 20 years' electricity up front. Most people can't afford this – just as most people can't afford to buy a car outright. Most finance or lease. In Sacramento, a utility company leases solar power. Consequently, it is common and viable as a commodity. If it were installed as part of house construction, it could conceivably be paid for as part of the mortgage.</li><li>• An American utility company leases energy efficient lamps to consumers with free replacements. The customer can therefore pay for efficiency over time – just as customers currently pay for power stations – but the lamps are cheaper.<sup>1</sup></li></ul> |
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- **Sensitive planning/siting of premises.** Putting housing and other premises in the right places helps to provide access to shops, employment and other services such as access to public transport. This again could assist more people to be available for work.
- **Increasing the production and availability of local, organic food.** The economic issues include rural employment, food miles (the distance food travels from where its grown to where it's consumed), storage and distribution. Improvements to health and the environment would be important cross-cutting

factors. Stimulating demand for Welsh produce and services (which are not confined to organic food) would also bring direct economic benefits to Welsh companies.

- **Reducing waste and promoting recycling.** People (or customers) want to receive only what is valued, therefore spending money to create waste (i.e. something that has absorbed resources but has not produced any value) is economically counter-productive. Waste costs UK industry £2.6 billion per year (Biffa Waste Services report, 1994<sup>2</sup>). So, reducing waste saves resources. In addition, throwing a product away after using it only once is throwing capital away. Increasing recycling creates more jobs and makes each product more economically productive.
- **Limiting disruption to public services** caused by increased flooding/drought by, for example, investing in integrated management of rivers at upper parts of catchment areas as a flood prevention strategy. WWCL suggests that this method would be less costly on the public purse than more conventional flood prevention strategies; it would contribute to the rural economy; and it would benefit the environment more than conventional strategies.
- **Better environment equals better health equals more efficient workforce.** Opportunities for recreation in a healthy environment promotes health benefits. “Prevention rather than cure” delivers a healthier and more efficient population/workforce and thus benefits the economy, as fewer working days are lost to ill-health. A key NAW document<sup>3</sup> notes that: “action to promote health is an investment and an essential element of economic development”.

## **5.0 Developing and Marketing Wales by investing in sustainable development**

- 5.1 The NEDS is about investing in the future of Wales. The European Union is developing its own sustainable development scheme. Economies in a number of countries will then start to look for expertise, best practice and developments in this field. Wales has an opportunity to be “ahead of the game” if it makes the necessary adjustments now. It has the opportunity to channel European structural funds into developing a strong economy based on sustainable development.
- 5.2 If the branding (and consequent marketing of) Wales is based on sustainable development, we anticipate that high environmental standards should give the economy a competitive edge. The benefits would increase if Wales had a critical mass of sustainable development-centred businesses. The NEDS has an opportunity to put forward this vision. Given that the NEDS is used to inform the strategic guidance to the WDA, a NEDS based on sustainable development should logically lead to the WDA being rebranded the “WSDA” (Welsh Sustainable Development Agency)!
- 5.3 Sustainable development offers an excellent opportunity for Wales to capitalise on its Unique Selling Points (USPs). WWCL suggests that two of Wales’s Unique Selling Points are:
  - the high quality of its natural environment: “Our landscape is a major asset, making Wales not only a first class place to visit but also an exceptional location for business” (*betterwales.com*, Annex 1 para.5).

- the availability of technological skills and expertise
- 5.4 A number of projects and businesses that fall into these categories already exist. Wales, then, does have the capacity to develop along the lines suggested above. However, in order to maximise fully on Wales's potential, the NEDS (and subsequently the WDA), needs to market these USPs together, and to marry the USPs with the competitive edge that sustainable development offers.
- 5.5 The fields of organic agriculture, agri-environment schemes, "green" goods and services including added value, high quality goods; research and development projects for clean technologies including renewable energies; innovations and investment in closed loop technologies; and low impact and energy efficient buildings designs are a few examples of the expertise and practices considered in this category. These also contribute to the diversification of the economy.
- 5.7 In order for Wales to attain the status of a global centre of excellence in sustainable development, however, the NEDS also needs to drive forward the necessary shift from "business as usual" and towards resource efficiency. That is, increasing the productivity with which we use natural resources, eliminating waste and reinvesting in the renewal of natural resources so that the raw material, the natural "capital" remains "in the bank" and is available for reuse without depreciation. In short, it means taking less natural resource to deliver more at lower cost. Resource efficiency saves, for example, wasted Kilowatt-hours and travel hours, barrels of oil, and forests of ancient trees discarded as paper and pulp.
- 5.7 Practical examples of resource efficiency<sup>1</sup>:

- A 107,000 square foot engineering laboratory built at De Montfort Univeristy in Leicester eliminated all of its chillers and fans, maintained comfort and cut about £1 million out of its construction costs.
- Decopier Technologies in USA is launching the Decopier, which is expected in a few years to remove toner from printed paper with so little harm that paper could be used up to five times. An innovation in the pipeline is a technology that allows ink to "float" off paper immersed in warm water. The collected ink is transported to a local manufacturer for reconstitution and then returned to the printer in a continuous loop. The de-inked and recycled paper from this process lasts 10-13 times longer than conventionally recycled paper.
- Many modern carpets are petrochemical cocktails that are not biodegradable. Yet, the American carpet manufacturer, Interface, has stopped throwing energy and money into holes in the ground. It moved to leasing carpet tiles rather than selling carpets. For a service charge, the company replaces only worn carpet tiles every month. Less carpet is wasted, with less disruption, with fewer glue-fumes, and with increased net employment (less manufacturing but more upkeep). In addition, Interface has created a new carpet that can be completely manufactured back into itself, in a simpler and 99.7% less wasteful process than conventional carpet remanufacture (and the other 0.3% gets reused). Its net climate impact is zero.

5.8 Competitive advantage from such superior performances does not evolve gradually, but needs to be a deliberate effort to create a resource efficient or “closed loop” technology.

**6.0 Recognising the environment as an economic resource in its own right**, that is, active investment in the development and promotion of a “clean, green Wales”.

6.1 In addition to the cutting-edge technologies noted in para 5 above, the rather less hi-tech industries of heritage, landscape, nature and wildlife conservation, including woodland management and agri-environment schemes, contribute very significantly and positively to the economy of Wales.

6.2 The “green tourism” opportunities provided by the Coastal Path in Pembrokeshire Coast National Park, for example, delivers £57 to the local economy for every £1 invested in it by the National Park Authority.

6.3 The Direct Impact and Additional Contribution of National Trust expenditure within North Wales is £75.4 million (1.5% of North Wales annual output). Most (95%) of this substantial effect comes from Additional Contribution – from the general expenditure of those who visit North Wales and use and enjoy National Trust attractions and countryside. Direct Impact and Additional Contributions together provide about 3,180 FTEs in North Wales<sup>4</sup>.

6.4 The related fields of education and training services also bring direct and indirect benefits to local economies.

**The environment as an economic resource - nature conservation<sup>5</sup>**

- the nature conservation sector is a significant and growing employer, providing more than 10,000 FTE jobs in Britain.
- Conservation activities can generate substantial opportunities for wildlife tourism, with typical estimates being that conservation supports four to six times more jobs by attracting visitors to rural areas than it provides directly
- At a local level, these impacts can be particularly significant, especially in promoting the diversification of more remote rural economies suffering from loss of employment in agriculture
- Conservation schemes in the wider countryside have brought new opportunities for generation of employment and income.

6.5 The publication of an economic evaluation of the environment in Wales, which looks further than the contribution of green tourism (in contrast to the North Wales study above), is awaited in late Spring 2001. The study is led by the National Trust in partnership with the Environment Agency, Countryside Council for Wales, RSPB, WDA, HLF and CADW.

6.6 The figures demonstrate that “the physical environment in Wales is a priceless economic asset which needs to be maintained and enhanced for the benefit of all. It produces economic ‘goods’ such as wildlife and landscape, which are important to the quality of life and economic well-being of those living and working in Wales”.<sup>6</sup>

6.7 In addition, the environment is the space in which unsubstitutable processes take place which are necessary for any kind of economic activity. Trees, freshwater, oil and food are the natural “capital” on which most economic activity is based. The irreplaceable services provided by this capital are, for example: regulation of the chemical composition of the atmosphere,

production of oxygen, purification of water and air, decomposition of organic wastes, solar energy conversion into raw materials, protection against cosmic radiation, storage and recycling of nutrients, a genetic store of biodiversity and potential pharmaceutical and other applications. So far, technology has been unable to replace these services: an attempt to keep just eight people alive for two years in a constructed “Biosphere” was barely a success, despite an investment of \$200 million. Technology can’t fix everything.

## **7.0 Conclusion**

7.1 Sustainable development offers a win-win-win scenario. It is, however, a new concept that we are only starting to learn about. A vision of the full economic potential of sustainable development might help further its understanding. In this short paper, WWCL has tried to give a few examples of existing practices to give a flavour of what the vision of a prosperous Wales could look like.

7.2 A fully integrated system is more than the sum of its constituent parts. The economic benefits of a sustainable Wales, rather than Wales with a few sustainable examples and practices, would therefore be even greater.

<sup>1</sup> Examples from Hawken, Lovins & Lovins *Natural Capitalism: the next industrial revolution* (2000) Earthscan

<sup>2</sup> Quoted in *Working Futures?: Jobs and the Environment* (1994) Friends of the Earth

<sup>3</sup> *Promoting Health and Well Being: A Consultation Document*, a sister document of NAW's *Better Health Better Wales*, para 2.8

<sup>4</sup> From report on “Economic Impact of the National Trust in North Wales” by the Institute of Economic Research University of Wales, Bangor

<sup>5</sup> *Working with Nature in Britain: case studies of nature conservation, employment and local economies* (1997) RSPB

<sup>6</sup> *Proposals for a NEDS*, Wales European Taskforce, para 8.1.