

# DEVELOPING A GREEN LOCAL ECONOMY

## Introduction

Concern for the environment has grown in recent years, particularly as evidence of climate change has emerged, and the acknowledgment of human contributions to this crisis.

Successive governments have lurched between going green and protecting traditional industry. Policies that favour environmental concerns are often viewed as bad for business, with the associated tariffs and legislation considered a barrier to business success. However, greening our local economy can act as an opportunity to create stronger more sustainable local economies. The environment plays a crucial role in enabling communities to live a healthy lifestyle, and it is well known that green space and access to nature has a positive role to play in ensuring better mental health.

These factors, alongside the beauty of green space and the cost effectiveness of sustainable business practices pull new residents, visitors and businesses into an area, increasing inward investment. In contrast an unattractive, congested, and polluted environment can act as a serious disincentive and discourage businesses, visitors and potential new residents from moving to an area, whilst having negative economic, physical and well-being impacts on those currently living and working there.

Economic growth and the natural environment can therefore be mutually compatible, for example sustainable practice and technology create a number of opportunities for new

green jobs and skills within a local economy.

With all of this considered, it is important that progressive local economic development looks to embed environmental considerations into the decision making process and recognise it both as a community asset and a right.

This CLES 10 provides guidance for the fundamental principles that individual towns and cities can adopt to develop a greener local economy. This can be defined as an economy that aims to reduce environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment.

## 1 - Recognise the environment as our most important asset

A healthy natural environment is often overlooked and undervalued in economic development.

However, there must be greater recognition that a 'healthy' environment is the cornerstone of personal well-being, strong communities and prolonged economic growth; it provides us with things which are essential to our ability to live in dense urban environments such as air, water and open space.

Many areas have formally recognised the environment as an asset in local government documentation and charters. A key example is Freiburg, Germany, which has been transformed into one of the greenest cities in the world, with a green local economy that employs nearly 10,000 people in 1,500 businesses, and generates 500 million euros annually.

## 2 - Engage the community

It is not enough for local government to simply recognise the importance of the environment and use this as a basis for developing a green economy; it is vital that the local community, including residents and businesses also engage. Engaging the local community from the beginning of any intervention is essential in order to ensure that a particular policy or development is tailored to local needs and is as effective as possible. For this to happen the community should be consulted from the start of any interventions and this process should be regular and in an accessible manner for all members of the community. Both residents and businesses should also be given the opportunity to work in partnership with key actors towards the development of small community-driven projects. Thereby creating a wider sense of ownership and civic engagement and laying a strong foundation comprised of common values and behaviour upon which to further develop a green economy.

## 3 - Green procurement and divestment

Procurement often has a narrow focus on cost. However, increasingly progressive procurement has emerged. This seeks to ensure that maximum benefit can be extracted from the process for local people, the local economy, and communities. This is in part driven by the Social Value act, which has brought environmental impact and value into commissioning and procurement decisions. This alternative procurement is based on a common strategic approach which considers lifecycle costing and sustainability alongside considerations of local economic benefit and

social value. A useful example here is the local government green procurement guide<sup>1</sup> produced by the California Sustainability Alliance, this is a toolkit for local governments to streamline their purchasing programs, save time and money, improve their sustainability, and set a positive example for local residents. Green divestment, the process of removing investments from businesses that are involved in environmentally damaging industries, is also becoming a more influential protest movement. Although this does not directly impact on the local economy, it demonstrates a commitment to live by values, and a move away from the global carbon based economy.

## 4 - Create an army of local experts

It is imperative that the local areas possess the necessary capacity to transition to a green local economy. Firstly, there are varied skills requirements, such as business management to support resource efficiency and technical skills to develop a low carbon industry. Secondly, a clear long-term vision is required to allow organisations to be confident in investing in staff development towards a greener local economy. Thirdly, the development of knowledge networks allows environmental specialists to consolidate their expertise and enhance the progress of the sector in the local economy.

## 5 - Embrace high density development

Well designed and compact urban development should be the way forward. This high density development utilises brownfield sites and existing structures which would otherwise be overlooked due to a focus on low cost development. This increases connectivity and reduces carbon emissions. Copenhagen's ambition to become carbon neutral by 2025 is underpinned by this compact urban form. Physical development

<sup>1</sup> California Sustainability Alliance (2010) Local Government Green Procurement Guide [http://sustainca.org/sites/default/files/publications/Local\\_Government\\_Green\\_Procurement\\_Guide.pdf](http://sustainca.org/sites/default/files/publications/Local_Government_Green_Procurement_Guide.pdf)

must also ensure that design and construction adhere to strict environmental standards, including minimising energy requirements and the use of materials with low embodied energy and with a long life. In addition, there are also 'human' considerations such as proximity to amenities and places of work to reduce commuting, and the inclusion of green community space to benefit health and well-being.

The next four points have a common theme, which is to ensure that the requirements and outputs of a place can be utilised as an opportunity for the development of green local economies.

## **6 - A revolution in community energy schemes**

Government funding in this area is now much harder to obtain, which makes incentivising energy efficiency and generation programmes more challenging. Local government must work with sustainability groups to position these efficiency programmes as vital to the success of the local green economy and the protection of the local environment. A further step to incentivise efficiency and generation is the availability of clear information with detailed costings and payback periods. Community energy schemes are also growing in popularity, these give citizens the power to transform how they buy, use and generate power in their area. Plymouth Energy Community is a successful UK example which funded 21 solar PV installations for schools and community buildings in 2014.

## **7 -A significant modal shift in personal transport**

Local government funding must be directed towards investment in public transport and active travel. Infrastructural development around active travel such as dedicated cycle lanes, bike hire schemes, and footpath improvements should also be prioritised. Integration of Public transport must also improve along with the affordability and frequency of services. The way people use automobiles must also evolve, with fewer total journeys and a higher proportion of shared journeys, resulting in significant savings from decreased congestion and reductions in health issues due to air pollution. Copenhagen is an example of what can be achieved, with traffic volume down 10% on 1970 levels, despite population increase of 17%.

## **8 - Full Circle recycling**

Communities should look to develop their own local solutions in moving towards a waste-free society. More progressive recycling and re-use allows waste that is produced to become a resource for the local green economy. For example re-use schemes for larger items such as furniture and white goods provide opportunities for local businesses. Similarly, community compost schemes allow the by-products of the local area to be reprocessed and sold back into the community. More sophisticated schemes also have the ability to process recycled paper and metals into raw material for re-sale into the local area.

## 9 - Shortened supply chains

Spend on food is a significant portion of personal expenditure and local food production allows this spend to be retained in the local economy. Local government and third sector organisations must identify existing producers, and inform the local community of a concerted plan to expand local food production. A network of producers must then be established, along with buy-in from existing retailers and/or suitable retail space for the sale of the produce to ensure that growers have a sustainable income. Manchester is very progressive in this regard, with a diverse range of food initiatives including for-profit businesses, charitable organisations, grassroots projects and social enterprises. Local food production also has the added benefit of enabling citizens who may be unable to access other forms of employment to engage with the local economy.

## 10 - Education to embed principles and develop skills

It is important to provide resources to embed the principles of developing a green local economy into the local community to ensure a sustainable legacy. This includes the promotion of sustainable lifestyles: the support of grassroots community networks and sustainability projects, and encouraging and supporting schools to embed sustainability principles in their curriculum, ethos and operations. Whilst integrating sustainability

into public health messaging, around sustainable and healthy diets. Formal education should be encouraged, with tailored programmes of apprenticeships and specialist qualifications which will equip local advocates, analysts and installers with the necessary skills to service demand.

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