

“green alliance... issue **3**  
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# INSIDE **TRACK**

“The realities of economic globalisation mean any regulatory framework must be applied internationally”

6

“Brands have to invest in and enhance the social contract they have with society”

9

“The UK’s performance on waste management and recycling is pitiful compared to most of our European neighbours”

10



# **BAGS OF POTENTIAL**

**A look at sustainable production and consumption after Johannesburg**

**Caroline Lucas MEP  
Dorothy Mackenzie**

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## contents

comment	2
green alliance news	
next steps for energy taxation	3
trade associations: the CSR blind spot	4
service innovation	5
taxing questions	5
it could have been so good	
Caroline Lucas MEP	6
pathway to a bright green future	
Prabha Choubina	7
just do it	
Charlotte Marples	8
making it real	
Dorothy Mackenzie	9
getting ahead of the game	
Ben Shaw	10
members' forum	12

The views of contributors are not necessarily those of Green Alliance.

# comment



**Sarah Flood,**  
Editor, Inside Track

It is easy to think that the outcomes of the World Summit for Sustainable Development are intended to bring about change elsewhere, with relevance only to foreign policy and overseas development. But there is one outcome of the summit aimed specifically at developed countries: the commitment to a ten year plan to accelerate the shift to sustainable production and consumption. In the UK and EU we must now take a hard look at what domestic policy changes are needed to make our way of life sustainable. That is the focus of this edition of *Inside Track*.

On page six, Caroline Lucas MEP expresses her disappointment with the summit, in particular the failure to address patterns of unsustainable consumption and production. She sets out what EU policies are needed to turn this failure to a success.

This year a number of Green Alliance projects have looked at ways of taking this agenda forward in the UK. We hear from Ben Shaw how the UK could minimise its production of waste, drawing on the experience of policy packages from outside the UK. Charlotte Marples focuses on the consumption side of the debate. She highlights how green niche brands must adopt mainstream marketing techniques and how mainstream businesses must adopt social and environmental values to make their brands more robust. Dorothy MacKenzie from brand consultancy Dragon looks at the opportunities for business of adopting these core values and the risks of not doing so.

The momentum and ideas are in place. In his speech given just before the summit, in Mozambique, the Prime Minister states "The rich nations especially need to use resources much more efficiently, and reduce their proportion of waste. We cannot continue our lifestyles without making our 'environmental-footprint' smaller in this way - by doing more with less." The recent Queen's speech also stated that the Government wants to see rapid and effective implementation of the agreements reached at the World Summit for Sustainable Development. It is time to match the statements with policies that ensure we do consume and produce sustainably.

Finally, many thanks to Prabha Choubina from Stakeholder Forum, who assisted with this edition during an internship at Green Alliance.

This summer, Green Alliance, the Policy Studies Institute and the Institute of European Environmental Policy joined forces to conduct a survey of business views on the Climate Change Levy. Based around detailed interviews with 27 representatives of business, the survey discusses both the impact of the Levy and the future use of economic instruments.

There are clear signs that the Levy measures are working already. A third of the companies we spoke to had changed their energy management practices, and four companies had switched to renewable energy, as a direct result. However, the confusing structure of the Levy, and its relationship to other energy policies, were criticised. Clearer signals from Government are needed to give businesses confidence to invest in low-carbon technologies. As one respondent said, “Government incentives need to be strong to get businesses to move towards lower emissions. They need to be a lot clearer on what they’re trying to achieve and what they want business to do.”

Based on both the survey results and other evidence and theory, the report puts forward a series of recommendations for next steps for energy taxation:

- **There should be a clear commitment to the use of economic instruments to bring about a transition to a low-carbon economy**, and a focus on reducing contradictions in energy policy, such as between New Electricity Trading Arrangements (NETA) and the Levy. There should be a clear signal that costs of carbon will increase over time, and efforts made to nurture the ‘winners’ of low-carbon policy.
- **The Climate Change Levy should be strengthened and simplified**, through moving gradually toward a tax based on carbon, not energy. Exemptions from the Levy should gradually be phased out. The link between National Insurance Contribution reductions and

the Levy in particular, and more generally the need to reduce other taxes to compensate for environmental taxes, should be better communicated and explained. Through dialogue with business and environmental groups, the possibility of Levy revenues replacing other taxes could be explored. The proportion of revenues devoted to supporting business energy efficiency improvements should be increased.

- **There should be a simpler system for help with energy efficiency and low-carbon technologies**, so that it becomes simple and cost-effective to implement alternatives, such as energy efficiency, combined heat and power and renewable energy. There should be a one-stop shop for businesses seeking help with reducing emissions.
- **The government should work through the EU to create a uniform European model of carbon pricing**, to ensure that effects on competition are minimised. This should include support for the further development of the EU emissions trading scheme, to replace the UK scheme, and for the 1997 proposal for a Directive to harmonise energy taxes within the EU.
- **The government should move towards the equalisation of carbon pricing across all sectors**, particularly the domestic, transport and public sectors. In addition, there is a need to introduce measures to reduce the carbon intensity of products as well as processes.

Green Alliance will be taking forward the debate about energy taxation in the context of the budget process and the energy white paper.

For further details, contact Rebecca Willis. Order *Next steps for energy taxation: A survey of business views* from the Green Alliance website or by calling 020 7233 7433.

# next steps for energy taxation

Have businesses changed their use of energy since the introduction of the Climate Change Levy in April 2001? And what more can be done to make the tax system promote the Government’s climate change targets? **Rebecca Willis** reveals the results of a study led by Green Alliance to look at whether the Levy has worked.

# trade associations: the CSR blind spot?

It's commonplace now for leading companies to show commitment to the environment, through careful reporting, well-targeted community initiatives and sound environmental management. But does this corporate responsibility extend to their role in the public policy process? A Green Alliance report, to be published next year, will investigate whether Corporate Social Responsibility (CSR) can be restricted to voluntary action - or whether it should have more of an influence over the dialogue between companies and government, mediated through business groupings and trade associations.

On 1 November, just after a freak storm had wreaked havoc across the south of England, the Confederation of British Industry (CBI) grabbed attention through negative headlines about the Government's approach to climate change, claiming that the Climate Change Levy was ineffective and bad for UK business. No doubt concerned by the scent of further environmental tax reform in the Chancellor's upcoming pre-Budget Report, the CBI managed to appear as a unified 'voice of business' in opposition to the Levy. By contrast, a Green Alliance survey, Next Steps for energy taxation, published the same day, found that many businesses have a more nuanced view. Many businesses we spoke to support the use of economic instruments to tackle climate change, as the article on page three shows.

Meanwhile, in Brussels, European chemicals lobby association CEFIC has been pushing the Enterprise directorate to block Environment directorate proposals for control of persistent and bio-accumulative chemicals, delaying precautionary protection for health and

the environment. Trade associations are also engaged in intensive dialogue with Commission officials to water down proposals for a EU Environmental Liability Directive, which would mandate corporate responsibility for environmental impacts that are currently cleaned up with taxpayers' money.

All this sits rather uneasily beside the pledges on CSR made by business. To date, the CSR spotlight has not been cast on the public policy positions being put forward, through trade associations. Trade associations are often understood by government policy-makers to represent the common business view but, in reality, this is not always the case. Business groupings risk marginalising small players - the innovative companies of the future, who would gain from well-designed environmental regulation. The temptation to head for the lowest common denominator in lobbying positions is sometimes overwhelming.

This approach also poses a risk to business reputations. At Johannesburg, environmental NGOs ran a high profile campaign pushing for international legislation on corporate accountability, questioning the sincerity of voluntary commitments. The gap between the public stance of these companies on the one hand, and the tacit endorsement of trade association positions on the other, could undermine the CSR achievements and reputation of progressive companies. It also, of course, acts as a brake on the development of progressive environment policy.

It's not all bad news. Increasingly, trade associations are playing a role in educating and encouraging members

toward better environmental performance. The Chemical Industry Association's Responsible Care Initiative, the British Retail Consortium's sustainability strategy, and the group of 'pioneers' - trade associations recognised by the DTI as helping their members with sustainability issues - are all examples of positive approaches. The newly-formed UK Business Council for Sustainable Energy is an alliance of energy businesses working toward sustainable solutions to climate change. However, when it comes to policy positioning, some companies are showing signs of discontent with their representative bodies. For leading businesses, environmental regulation or economic instruments would reinforce their competitive position by pushing other companies to internalise more of their environmental costs - and staunch opposition to government policy proposals is not always the best way forward.

In its report, Green Alliance will take a new look at this issue, debating the role that trade associations and businesses play in the public policy debate. Through research and dialogue with business and government, we will investigate how to bring corporate social responsibility into the corridors of Whitehall - and the bureaus of Brussels.

[We would be pleased to hear from Green Alliance members with views on this issue.](#)

[Please contact Joanna Collins at \[jjcollins@green-alliance.org.uk\]\(mailto:jjcollins@green-alliance.org.uk\)](#)

# service innovation for sustainability

We are examining the potential for companies to shift from selling products to selling services. In reality, this means purchasing a 'clean home', not bottles of bleach, or 'chilled space' rather than several air conditioning units. This business model has the potential to reduce environmental impacts, as it is no longer in the interest of the supplier to maximise the volume of physical product sold. Instead, profit comes from efficiencies in energy use, material consumption and waste reduction.

The most successful example of this shift to services, or 'service innovation', is chemical management services in North America, now found in 50-80 per cent of the US auto industry. In the New Year, we will be holding a conference with speakers from US companies who will share their experiences. We are also planning events looking specifically at energy services and the use of information technology in resource efficiency.

The project is based on an email network, disseminating information about business initiatives and Green Alliance seminars. Members of the network have expertise in a range of areas relating to service innovation, from government, business, NGOs and academia.

If you are interested in joining the network, please visit our website at [www.green-alliance.org.uk/Programmes\\_ServiceInnovation.htm](http://www.green-alliance.org.uk/Programmes_ServiceInnovation.htm) or contact Jennie Oldham.

hot  
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## July's summer reception at the Arts Club finally broke with tradition - the sun shone!

The event that is rapidly becoming a hot favourite in the environmental calendar gave our guests - politicians, environment professionals, media types and senior business people - the chance to relax and chat over food and wine, to the background of 30s-style Chicago jazz. Some new faces allowed for some fresh perspectives on it all and we are very pleased that a number have since joined Green Alliance as individual members.

Our special guest, Charles Clarke, at the time the Labour party Chair, arrived straight from a meeting with the Prime Minister to give his view of the issues facing environmentalists, business and government alike.

Thanks to all who came and to the sponsor United Utilities, for helping to make it such a successful evening.

# taxing questions

Few people now dispute that to make progress on the environment, we'll have to harness the market, using taxes, trading systems and financial incentives to make it more expensive to damage the environment, and cheaper to protect and improve it. The Government acknowledged this in 1997, publishing its '*statement of intent*' on environmental taxation, a commitment to "reform the tax system to increase the incentives to reduce environmental damage". Putting this into practice is a tough job. Progress has been made, with the climate change and aggregates levies, an emissions trading system, and tradable certificates for renewable energy. But what more can be done to make sure the market works for the environment, not against it?

Green Alliance has been working with the Treasury to discuss how the Government might take forward its commitment to environmental taxation. In partnership with other environmental NGOs, we have offered views on the development of the Treasury's environmental tax strategy, announced in the November 2002 pre-budget report. Work has included capacity-building for NGOs, to increase knowledge of economic policy issues. We are also mapping existing research and initiatives on economic instruments for the environment.

For further details,  
contact [Rebecca Willis](#).

Caroline Lucas MEP doubts the value of the Johannesburg framework on sustainable production and consumption and gives her opinion of what it should have included

# it could have been so good



In August this year 65,000 politicians, civil servants, NGO campaigners and grassroots activists descended on Johannesburg for the UN-sponsored

World Conference for Sustainable Development. Dubbed 'Rio +10', the conference aimed to review progress made since sustainable development was placed firmly on the international agenda at the UN's Rio Conference on Environment and Development in 1992, set priorities and make firm commitments for the future. An internet poll of 25,000 people a month later found 60 per cent of respondents said the summit had been "valuable".

But I have been more critical, and have consistently argued that the process was hijacked by big business, leading to a failure to adopt any concrete, binding agreements at all. In particular, the summit failed to address the issues of sustainable consumption and production. This was hardly a surprise, given that either reducing demand or regulating production in any given sector will hit business where it hurts most: the profit margin.

Though it was no surprise that intense lobbying and business participation kept patterns of consumption and production off the agenda, it was no less a pity. As individuals, our power to reduce resource exploitation and pollution is greatest when we decide what we consume. For businesses too, the methods of production and

materials used can be selected according to environmental criteria: indeed if we are to achieve sustainability they must be. But these choices come at a price, and that's why we need a regulatory framework as well as a campaign of public education to tackle unsustainability.

Johannesburg failed to agree such a framework. Had it done so, what sort of policies would it have included?

Clearly, its first principle must be to claw back control from shareholders to democratically elected governments on matters affecting us all. Without this, any framework would be toothless. Substantive measures would need to incorporate several key tenets: the polluter pays principle, that production should take place at the most local level efficiently possible, and that social and environmental objectives should 'trump' the pursuit of private gain.

These principles could be quickly incorporated into effective policy, using instruments already at our disposal. The polluter pays principle, for example, could be made concrete through widespread application of ecological taxation. If the external costs of production – of environmental clean-up or dealing with ill-health, for example – were passed on to manufacturers, industry itself would have a built-in incentive to tackle pollution, resource use and waste. Localisation could be encouraged by, for example, adopting a 'site-here to sell-here' policy, restricting market access to those firms actually making

a social and economic commitment to the communities they supply. The realities of economic globalisation mean any regulatory framework must be applied internationally, or at least regionally, to avoid an exodus of jobs and unsustainable practices to the least regulated economic environment. That's why the policies I have outlined here must be applied at European, rather than UK, level.

But this will never happen until the cosy relationship between big business and governments is challenged. Johannesburg was just the latest example of how the corporations have resisted every attempt to impose any regulatory framework on them, by proposing self-regulation as an alternative, by intensive lobby before proposals even reach the table, or simply by threatening to move outside the jurisdiction of the state concerned, taking jobs with them.

Again, we can tackle this issue with existing policy tools: binding rules on corporate social and environmental responsibility. Firms are already legally accountable to their shareholders; why should they not be accountable to the rest of us too? If these rules are applied on a regional or international basis firms would weigh up the costs and benefits of denying themselves access to Europe's huge markets. I don't believe they would rather abandon production than uphold the law.

Caroline Lucas is a Green MEP for the South East region.



# pathway to a bright green future

**Prabha Choubina** charts the background to the ten-year framework on sustainable production and consumption, drawn up at this year's Johannesburg summit, and says there are promising signals that the UK aims to take a lead on it. This month Green Alliance publishes a new report, setting out the steps the Government should take to make sure it does.

One of the more ambitious outcomes of the Rio Earth Summit was Agenda 21, an action plan on sustainable development providing a blueprint for sustainable consumption and production at local, national and international levels. After Rio, hopes were high. However, just three years after the UN Assembly ratified its guidelines on sustainable consumption, a UNEP/Consumer International survey revealed that nearly 40 per cent of governments were not aware that the guidelines even existed.

In the run-up to this year's Johannesburg Summit, NGOs put considerable effort into regaining lost momentum. Two studies were

published, reviewing progress made on sustainable production and consumption. *Waiting for delivery* tracked progress globally, while *It's your choice* focused on the UK, and was produced following stakeholder consultations conducted by Imperial College and UNED-UK.

Two major recommendations were taken to WSSD as a result of these advance consultations: that sustainable production and consumption should be defined as an 'overarching' issue of sustainable development; and that a ten year work programme for promoting it should be instigated.

Amid the failure at WSSD to agree concrete targets for renewable energy, one positive outcome was a ten-year framework programme on sustainable production and consumption, as the stakeholder process recommended. In a linked commitment, an agreement on corporate responsibility promises to 'promote corporate responsibility and accountability...including through the full development and effective implementation of intergovernmental agreements'.

Back here in the UK, there are some signs that the Government will act on its promises for sustainable production and consumption. The Sustainable Development Commission, advisers to the Prime Minister, have come up with recommendations for all government departments to develop and integrate sustainable development strategies into every aspect of their planning. The DTI's sustainable development strategy focuses on sustainable production and resource productivity. Margaret Beckett has already made it clear that the UK Government intends to be a leader on the ten year framework, and the report published last year by the Strategy Unit, *Resource productivity: making more with less*, will be a good starting point for these efforts.

Green Alliance's new report, *Building a bright green economy: An agenda for action on resource productivity* sets out the steps that government could take to increase the environmental efficiency of the economy (these recommendations are described in more detail on page 11). It remains to be seen whether the UK is bold enough to lead the international community, and to face up to the difficult choices we will have to make to put the UK economy on a more sustainable footing.

Prabha Choubina edits *Connections*, the magazine of Stakeholder Forum for *Our Common Future*. *Building a bright green economy: An agenda for action on resource productivity*, is available from Green Alliance, price £10.

# just do it

It's time for all business  
to brand green,  
says Green Alliance's  
policy co-ordinator  
**Charlotte Marples**



One of the few concrete outcomes of the Johannesburg summit was a commitment to enhance corporate social responsibility (CSR) and accountability. Coupled with a focus on sustainable production and consumption as part of the European 6th environmental action plan, companies are increasingly being scrutinised for their ethical performance. A recent publication from Green Alliance, *Brand Green: Mainstream or forever niche?* argues that the time is right for companies to integrate these concerns into the core of their business.

However, whilst many mainstream businesses are responding to the CSR agenda, green brands could do worse than to borrow a few of their techniques. Wendy Gordon, the pamphlet's author and head of insight at marketing consultancy, The Fourth Room, says that green brands have suffered from failing to follow the rules of mainstream marketing. Green brands unconsciously communicate that the ethical integrity of the product outweighs all other possible reasons for choosing it. As Wendy asserts, 'this is where those who work with green issues, brands or corporate identity are most naïve. They believe that when consumers ask for more information, this is what they want'. Yet this is not how consumers interact with brands. Despite the green credentials of a particular product, if the sensory and emotional cues are wrong, the product will remain on the shelf.

It is communication and not cash, which sets successful niche brands apart. Smart niche brands can hold their own against the heavyweights. They might not have the deep pockets of the big brands such as Procter and Gamble, but as Wendy asserts, 'it is possible to become a strong niche brand by punching above your weight and fighting smart'. New socially responsible brands are emerging like Smile (ethical internet banking),

Juice (green energy) and Solar Century (photovoltaic panels). Innovative, in touch with social trends, and with strong brand identity, they play by the rules of the game and compete with mainstream brands in terms of quality and choice.

And they need to move fast. In this new world where brands rather than products are battling for the competitive edge, green attributes can help to differentiate from the competition. Successful brands of the future will need to demonstrate integrity as well as innovation. As awareness of social responsibility increases, no brand can afford to put its reputation on the line. As Wendy says, 'brands can no longer afford to behave badly and assume that they will get away with it'.

Big brands are already starting to tackle this shift and communicate environmental values more broadly. Companies like Unilever and B&Q targeted at the mass market are communicating values such as sustainably sourced ingredients or sustainably sourced timber into their products. Avis has set car emission reduction targets in its fleets of hire cars in Europe, and Shell is supporting sustainable energy programmes in Asia and sub-Saharan Africa.

As sustainable development steadily rises up the shareholder agenda, investors are scrutinising companies for long-term sustainability and risk management strategies. Socially responsible leadership will be a defining characteristic of the companies of the future. Brands will have to be accountable, or they will fail. In a climate where companies are increasingly aware of the potential risks imposed by their environmental and social performance, brand green offers a wealth of new opportunities. Business leaders would be wise to seize them.

*Brand Green: mainstream or forever niche?* by Wendy Gordon, price £10.00, is available from Green Alliance.

# making it real



**Dorothy Mackenzie** director of Dragon Brands and Green Alliance Trustee argues that genuinely embedding the values of sustainability into a brand will do more than minimise risks to the company. It will give a competitive edge, helping to ensure the loyalty of customers and employees and providing the stimulus for innovation.

In many markets now there are two main challenges for brands. The first, and most fundamental, is that of maintaining and improving consumer trust at a time when consumers are wary and cynical. The second is innovation - finding new, differentiated ways of addressing needs amid frantic competition.

It is no longer sufficient for brands to perform well simply against the basic requirements of quality and value. Many of the issues that have seriously undermined trust have related to broader ethical or societal concerns, such as the mis-selling of financial service products, the exploitation of workers far up the manufacturing supply chain or concerns about the impact of a particular ingredient on human health or the environment. Sustainability offers a very practical and comprehensive framework within which the vast majority of these issues are raised. It therefore at the very least provides an approach to risk minimisation that should encompass almost all of the issues likely to threaten a brand's reputation and undermine the relationship between the brand and its customers. Brands have to invest in and enhance the social contract they have with society.

However, embedding social and environmental values into the organisation should do more than simply minimise risks to the brand. Such values provide platforms for establishing richer connections with consumers - at the level of shared values rather than simply functional or emotional benefits. They can help consumers engage with brands on the level of "do I like what this

organisation stands for?". At a time when companies are fighting so hard to develop loyalty - or at least, more meaningful and satisfying transactions with their customers - this level of values-based connection can be very important and can help influence purchase behaviour and drive commitment to the brand. And of course this works for employees just as much, probably more, than for consumers. This doesn't mean that it will be appropriate for all brands suddenly to incorporate messages about social or environmental issues or performance into their communication platforms. But there is every case for demonstrating through behaviour and communication that these issues are important for the brand - even if they aren't always relevant as 'end benefits' to the consumer.

A commitment to integrating social and environmental objectives into the organisation also provides a huge stimulus to innovation. Through a greater external focus, and interactions with a broader range of stakeholders across a broader range of issues the organisation should acquire social intelligence that can help it to anticipate changing needs and emerging opportunities. Tackling the very real challenges of sustainability objectives demands the sort of breakthrough thinking that can spark significant disruptions to markets. Unilever is one of a few companies who are consciously building sustainability objectives into their product innovation processes, seeking solutions that enable more sustainable consumption. This will involve finding better ways of doing things, rather than trade-offs

that compromise consumer benefits. As Ralph Kugler of Unilever put it recently at the Global Detergents conference, "What about double the pleasure, half the chore, while creating just a quarter of current waste?"

If a commitment to sustainability can contribute much of benefit to the brand, then it is also true that the brand can contribute much of benefit to the organisation's commitment to sustainability. One of the problems facing companies trying to integrate sustainability thinking into the business is that it is hard to 'make it real' for everyone. Frequently this is because sustainability strategies have not been linked into the business strategy, nor anchored in the brand. More and more companies are now using their brand as the central focus of the organisation - the articulation of the business purpose, the values and the 'way we do things'. The brand guides not only communication, but also behaviour - throughout the organisation. It therefore must make sense to use the brand as a prism through which the company's approach to sustainability can be focused. By expressing the sustainability vision in terms that reflect the brand, sustainability can be made much more relevant and central to the organisation, and the process of integration made inevitable.

There is a myriad of links between the sustainability agenda and the brand agenda - and the time is absolutely right for companies to start exploring these actively, if they truly want to create and maintain brands that people can really believe in.

# getting ahead of the game



Green Alliance's **Ben Shaw** has spent the past year researching the waste strategies of seven other countries. The comparisons have revealed just how far behind the UK's waste policy is. But the news isn't all bad. Perversely, this lack of progress presents an opportunity for the UK to leap frog into the vanguard, not just of waste management practice, but of resource use and policy more broadly.

"I knew it was bad but I didn't realise that it was this bad", was the comment of one Dutch policy-maker after spending a day at a conference discussing the UK's waste problem. This sentiment has been a recurrent theme in the discussions we have had with senior policy makers across Europe and the US, while researching our *Creative policy packages for waste* project. These concerns were expressed by all sectors not just the NGOs.

The UK's performance on waste management and recycling is pitiful compared to most of our European neighbours with the best performing regions in Europe delivering household waste recycling rates over five times that of the UK. Repeated efforts from government have failed to get to grips with the growing waste mountain.

The debate on waste has moved beyond addressing how to deal with the waste that is an inevitable result of economic activity, towards seeing waste as located within a broader debate. This agenda covers resource productivity, materials policy and sustainable consumption and production. Some progress has been made, with efforts being expended on waste minimisation activities and producer responsibility initiatives, but for the most part it is very much at the aspirational stage.

So, what is needed to deliver progress on waste and resource productivity in the UK? Two new Green Alliance reports attempt to address these questions: *Creative policy packages for waste: lessons for the UK*, on waste

and *Building a Bright Green Economy: an agenda for action on resource productivity*, on resource productivity.

*Creative policy packages for waste: lessons for the UK* draws out the essential elements of successful waste strategies in seven countries and states in Europe and the US. It is based on detailed research and interviews with the key decision-makers. Its focus is on what central government needs to do to create a framework in which local government, business, householders and the waste management industry can deliver better performance on waste. No magic bullet will solve the waste problem: sophisticated packages of policy measures are needed to drive change. The policy packages in the countries studied are diverse, but they have one thing in common: they employ bold measures. The experience of other countries sheds light on why the UK has struggled to improve recycling rates. The UK has no really effective policy measures in place.

To change, the UK government needs to introduce a broad range of bolder measures. Fundamental to this is getting the economics right. The relative price of different management options must reflect their desirability. As long as landfill is the cheapest option it is likely to be the favoured option. Recycling has to be consistently cheaper than other options if it is to expand. Measures such as doorstep collection of recyclables, and public information campaigns are important but will not work unless backed up by a price shift. With the right measures in place and political will, recycling rates of at least 50 to 60 per cent could

be achieved in the UK before 2010. The following measures and others will be needed to achieve this:

- The landfill tax should be doubled, or even tripled, within the next three years to ensure that investment is directed towards recycling
- Local authorities should be given the powers, but not required, to charge householders for wastes not recycled
- Incineration should be taxed, or a moratorium should be declared on new incinerators, to ensure that incineration doesn't compete with recycling
- The UK Government should lead with market development measures such as mandatory government procurement of recycled materials
- Waste prevention should be given more emphasis than recycling; otherwise, the growth in waste will undermine the benefits of recycling.

While progress to date has been slow, recent announcements suggest that the Government is waking up to the scale of the challenge. In November, the Chancellor of the Exchequer, Gordon Brown gave his Pre Budget Report and on the same day the Prime Minister's Strategy Unit published *Waste Not, Want Not: A strategy for dealing with the waste problem*. Taken together these are a major step forward. The Chancellor has committed to significantly increasing the landfill tax to the long term level of £35 per tonne, he has indicated that increased funding will be made available to local authorities, and he has opened the door to an incineration tax and variable charging for household waste. The Strategy Unit report, although not a statement of government policy, goes further. Its recommendations emphasise the importance of waste reduction and recycling and particularly composting, recommending a target for waste reduction and a new higher recycling target of 45 per cent. The Strategy

Unit report also clarifies the role of incineration in the waste hierarchy, clearly placing recycling above incineration.

These announcements are all to be welcomed and they are the right ones to address the problem but they need to be acted on faster than the government is proposing. To kick start investment in alternatives the landfill tax needs to be doubled within three years not the six years the government is proposing. The Strategy Unit's recommendations need to be translated into government policy as a matter of urgency. The Chancellor promises further announcements on waste spending and the mechanisms for delivery over the next few months. Clear commitments in these along with an early response to and adoption of the Strategy Unit's recommendations are clear opportunities to reiterate the government's apparent commitment to solving the waste problem.

Delivering the basics of waste management in terms of high levels of recycling is vital. But given that waste is growing at three or four per cent per annum we need to do more than deal with waste as an end of pipe issue and the Strategy Unit report is clear on reducing waste volumes. Measures that act higher up the production and consumption chain should be introduced. Improving the efficiency with which we use resources is vital if we are to reconcile economic and environmental objectives. This requires a very different approach to policy. The Government has already expressed interest in this area with the Performance and Innovation Unit (now the Strategy Unit) report on resource productivity published in November 2001. However, since then there has been little external evidence of activity on the agenda.

The Green Alliance report *Building a bright green economy: an agenda for action on resource productivity* outlines the priorities for action in this area, setting out what each part of government should contribute.

Of course, business and consumers will need to act too, but government must set the framework. The report puts forward three themes to be addressed in improving resource productivity, each based on a seminar held by Green Alliance: creating a policy framework to move from theory to practice; promoting new business models to encourage innovation; and driving consumer-led resource productivity. It then puts forward a set of recommendations for government, to create an action plan on resource productivity to frame and guide progress. Action is required across government. DEFRA, DTI, and the Treasury all have key roles to play in developing a coherent vision that drives forward the UK's resource productivity.

Resource productivity is a complex subject and more research is needed into measuring and managing it. However, uncertainty in the long term should not be used as a reason not to take action in the short term. Many of the short term resource productivity measures that could be taken are in the UK's competitive interest. Longer term ones may require action at a more international level and this theme was developed in the WSSD Implementation Plan. This has ten paragraphs and numerous sub-paragraphs dedicated to changing unsustainable patterns of consumption and production. While there is a lot of detail, it provides no formal mechanism for delivering these aspirations. It is to be hoped that the UK will push this agenda not only domestically but internationally with the same enthusiasm it has championed the climate change agenda.

*Creative policy packages for waste: lessons for the UK* is available free to download from the Green Alliance website at [www.green-alliance.org.uk/Programmes\\_CreativePolicyPackagesWaste.htm](http://www.green-alliance.org.uk/Programmes_CreativePolicyPackagesWaste.htm)

*Building a bright green economy: an agenda for action on resource productivity* is published in hard copy, price £10 from Green Alliance

Green Alliance is an independent charity. Its mission is **to promote sustainable development by ensuring that the environment is at the heart of decision-making.** It works with senior people in government, business and the environmental movement to encourage new ideas, dialogue and constructive solutions.

## staff

director	Rebecca Willis
programmes adviser	Julie Hill
policy co-ordinator	Charlotte Marples
senior policy officer	Ben Shaw
policy officer	Jennie Oldham
policy officer	Joanna Collins
development co-ordinator	Karen Crane
Information and website manager	Rachel Butterworth
membership officer	Catherine Pamplin
publications & finance officer/GGTF assistant convenor	Sarah Flood
GGTF convenor	Paul Chambers

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Green Alliance is a registered charity number 1045395, company limited by guarantee, registered number 3037633.

# because we're worth it

**The standard annual subscription for individual membership of Green Alliance is going up to £40 after remaining at the same level for five years.**

Members have made a significant contribution to our development over the past few years, supporting our work and helping us with our strategy. It is in no small part thanks to our members that Green Alliance is an increasingly influential force in the environmental movement.

As an independent organisation, we depend on subscription income to help us to target our work where it will be most effective.

We have been working to improve our service to members, with a dedicated membership officer since 2001, providing a direct link into the organisation, and the new look *Inside Track*. Further developments are planned, including email and web-based services, aimed at improving our communications.

Rates have changed from November this year but existing members are being offered the chance to renew at the old rate until 1 April 2003.

We will be sending reminders out well in advance of subscription renewal dates. And, to soften the blow, we will also be offering the opportunity to pay the new rate by instalments.

Rates for donor (£100 per year) and life membership (£400) will remain the same.

## Goodbye...and hello!

Hilary Brennan, Green Alliance's membership officer, left us in October to become a full-time classical singer. We were very sorry to lose her, not least for the loss of her sweet serenading tones around the office. We wish her the very best in her future career.

Taking up the mantle from January will be Catherine Pamplin, who is coming to us from the membership services department of the National Council for Voluntary Organisations (NCVO). Catherine will also be working part-time at Green Alliance, filling the rest of her time working on projects with the Community Television Trust.

Thanks to Marie Rajaonavah, who has stepped in so ably to cover the post temporarily until the end of December.

## New members

Welcome to the following new individual members:

Anna Burns  
Anne Campbell MP  
Robin Carter  
Roger Cowe  
Sara Eppel  
Cherry Farrow  
David Fitzsimons  
Julie Foley  
Catherine Fookes  
Peter Gavan  
Andrew George MP  
Karl Harder  
James Haselip  
Cathy Hough  
Joanna Johnston  
Pippa Langford  
Jeremy Leggett  
Hannah Pearce  
Emily Richmond  
Alasdair Stark  
Steven Toole  
Kay West