

Economics and Resources

Friends of the Earth (England, Wales & Northern Ireland)

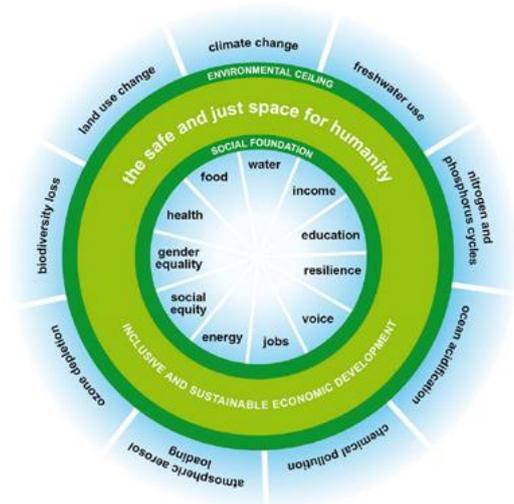


What do we stand for?

A UK and EU economy that has learned to thrive and prosper within the planet's limits, and which prioritises improving everyone's quality of life and reported happiness.

A helpful representation of a sustainable and fair economy is the **doughnut**, developed by Kate Raworth (see right). It shows the need to create a dynamic economy that

- **respects environmental limits** – many of which, like carbon emissions and biodiversity loss, we are already outstripping; and
- **is focused on the key elements that a healthy, thriving and more fair economy should judge success by:** health, food, energy, and also greater social equity and gender equality.



Delivering on this means doing three things:

- **Measuring our environmental footprints so that we can start reducing them** - because they are critical economic indicators too.
- **Setting better priorities** – for as long as GDP growth is the king of metrics, other vital priorities – like health, food, education and quality of life, as well as carbon, water, land and raw material footprints – will always come a poor second in policy processes.
- Building better **business and finance models** that stamp out short-termism and the pursuit of profits today with no regard for sustainability. **Game-changing innovation** should be embraced and nurtured, and Government should be active and clear about long-term sustainability targets like carbon reduction and the absolute reduction of resource waste.

Our work

- **Understanding our resource exposure:** The UK and European economies use far more than their fair and sustainable share of the world's **resources: water, land and raw materials**. In addition to **carbon emissions**, embedded into everything we consume are valuable natural resources that are disproportionately drawn from abroad. **These – water, land, raw materials, and carbon – are the critical 'four footprints' that encompass genuine joined up sustainability**. It doesn't work to just focus on one. Friends of the Earth has developed and championed these joined-up indicators – endorsed by the European Commission's Resource Efficiency Platform and UNEP – and now want to see them introduced in policy and by companies seeking to understand the impact of their supply chains and their exposure to international economic forces.
- **Putting using fewer resources at the heart of the UK's economic story:** Policy makers hungry for a source of future economic competitiveness should be champions of an



ambitious resource efficiency agenda. We incinerate and waste hundreds of millions of pounds of economic value every year, all as the UK becomes increasingly aware of its exposure to the resources we import from overseas. European proposals are on the table that rightly position resource usage as a central economic issue, a golden opportunity for a step change in the resource efficiency of our industry, businesses and homes.

- **Better priorities for all Government, in particular the Treasury:** The UK Treasury currently has three priorities – growth, financial regulation and deficit reduction – which while not in themselves a problem, in practice conflict with the long-term economic imperatives of for example, carbon reduction. But it needn't be like this: up to a million people are already employed in green businesses; investors are desperate for long-term stability so they can invest in efficient and clean infrastructure; and resource ultra-productivity is a golden ticket to prosperity in the 21st century. New, joined-up priorities are needed.

3 priorities for the Government

“Valuable materials are leaking from our economies ... Since the industrial revolution, our economies have developed a ‘take-make-consume and dispose’ pattern of growth — a linear model based on the assumption that resources are abundant, available, easy to source and cheap to dispose of. It is increasingly understood that this threatens the competitiveness of Europe.”

European Commission, ‘Towards a Circular Economy’— July 2014

A sustainable and fair economy means **measuring and starting to reduce our usage of the world’s carbon, land, water and raw materials**, and **putting a much higher priority** on non-GDP measures of national success and prosperity. It also means using **all levers Government has to inspire dynamic and disruptive innovation** to deliver the technology and new business models we urgently need.

These are long-term challenges that won't be delivered overnight. But there are some immediate steps that the Government could take straight away to set off on the right foot:

1. **Create a new Office for Resource Management (ORM).** This is a proposal developed by industry groups such as EEF (the Manufacturer’s Organisation) and Friends of the Earth. The ultra-efficient use of increasingly contested resources is critical to a healthy long-term economy, yet Government policy is piecemeal and insufficient. The ORM would sit within the Department for Business, Innovation and Skills, coordinating and increasing the priority given to resource efficiency. Friends of the Earth would also like to see this new body begin to measure the UK’s ‘four footprints’ of carbon, water, raw materials and land. **All parties should pledge to introduce a powerful ORM.**
2. **Transform the Treasury.** The Treasury is the most powerful Government department and the part most likely to promote policies that lead to environmental harm or which promote short-term growth at any cost. The world is changing and Treasury must be required to change with it, with **a new priority to be an active agent for rapid carbon reduction and resource efficiency, and a requirement to pursue indicators other than GDP alone that reflect genuine quality of life.**
3. **Oppose the proposed EU-US Transatlantic Trade and Investment Partnership (TTIP).** The proposals will put huge pressure on vital European and UK regulations that guard against everything from dangerous chemicals to pollution. TTIP is exceptionally controversial and already bitterly opposed. It makes overhyped economic claims that fall apart under scrutiny. And it would increase the power of big companies over democratic processes – permitting corporations to sue Governments that, for example, regulate to protect natural habitats. **The treaty is unsalvageable and all parties must reject it in its entirety.**