

**Labour's  
Policy  
Review**

# **Resource Security: Growth and jobs from waste industries**



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## Resource Security: Growth and jobs from waste industries

**To forge one nation, we need every part of our economy working to create a Britain where everyone has a stake. The field of waste and resources can play its part - fostering vocational qualifications and job growth in every region of the UK.**

We believe an advanced waste strategy can play a vital role in securing the economic recovery, creating manufacturing jobs and laying the foundations for sustainable growth.

The last Labour Government transformed this nation's relationship to municipal waste. We quadrupled household recycling, introduced measures to divert waste from landfill and secured capital investment in new technologies.

Under the current Government, progress has stalled. The 2011 Waste Review was a missed opportunity to drive innovation and boost investor confidence. Meanwhile, in Wales, Labour in government is demonstrating that political action can drive up standards and create jobs.

We believe that Britain can do better. As part of Labour's Policy Review we will focus on generating sustainable growth and new jobs in and through the waste industry.

To ensure our ongoing prosperity, our country's finite natural resources must be protected. Some forms of natural capital are being over-used and damaged. We need to consider ways of making efficiency savings in the resources we use, through reducing wasteful use, and increasing re-use and recycling of valuable materials.

To engineer an economy that works for working people, new jobs must be secured - at all skill levels and in all communities whether rural or urban. To protect our global competitiveness, we must give companies the confidence that money invested in UK infrastructure will give returns.

This is not the green economy, but the new economy of the future.

Britain faces a choice: to embrace the opportunity to create new green jobs, through leadership, better compliance and appropriate standards; or to slip back once again to being out of step with the rest of Europe.

### **The new economic reality**

The damage being done by the Government's economic policy is far reaching. Economic development is slow - and in some regions and sectors it is going backwards.

New industries must emerge to supplement those that have been lost or weakened. Environmental and low carbon businesses have a key role to play in rebuilding our economy. Indeed, against the tough backdrop of the past few years, green growth has proved remarkably resilient.

Even with government inaction on waste and resources, the sector is projected to grow at 3-4 per cent this year and next.<sup>1</sup>

In the long term, we know that a nation's economic growth can be hampered by a lack of access to affordable resources. An evenly weighted basket of some thirty or so commodities declined in value by around 70 per cent in the last century as methods of extraction became cheaper and more efficient. In the past decade, as emerging nations ramped up production, and industrialized rapidly, those same commodities tripled in cost.<sup>2</sup>

Sustainable economic growth relies on a secure supply of raw materials. We cannot afford to simply throw away what could be recycled or returned to use.

We know too that for too long, some sectors of our economy have sought to eschew their responsibilities. Consumers increasingly expect manufacturers to give thought to how products will be disposed of at the end of their usable life.

Irresponsible business practices ultimately damage our planet, our economy and the British people. UK businesses could collectively achieve £18 billion of benefits each year through more resource efficient behaviour.<sup>3</sup>

The difficult economic conditions an incoming Labour government will inherit mean that every pound invested must contribute to growth and jobs.

Our ambition is to facilitate tens of thousands of new green, resource efficient jobs - by creating the conditions for the private sector to invest and thrive.

## Securing our future

### **Advanced nations across the world are turning their attention to the security of their resources.**

At the heart of our economic development is access to high quality metals, plastics and renewable materials. Natural capital - our soils, rivers, and fish stocks, our mineral resources, our forests, parks, and gardens - underpins much of the UK's productive economic activity. It provides the raw materials for the production of food by the agricultural sector, the natural resources for industrial innovation and the environmental settings that the public enjoy.

Our stocks of natural capital, if managed sustainably, can yield a long-term flow of valuable goods and services. If we fail to manage these stocks sustainably, our long-term prosperity is at risk. Sustainable management requires us to consider not only how much we use, but also where those resources come from, how they are produced, consumed, and disposed of.

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<sup>1</sup> Written answer, 11 December 2012

<http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm121211/text/121211w0004.htm#12121184002693>

<sup>2</sup> Wall Street Journal 'The Source' blog, 27 April 2011

<http://blogs.wsj.com/source/2011/04/27/is-it-different-this-time-round/>

<sup>3</sup> WRAP, 26 November 2012

<http://www.wrap.org.uk/sites/files/wrap/WRAP%20contribution%20to%20economic%20growth.pdf>

Protecting our natural capital first and foremost requires a new approach, one that aims to maximise efficiency and minimise the production of needless and damaging waste products. The substances we rely on are, by and large, finite – and in recent years their value has increased sharply. Recycled materials are becoming increasingly viable as an alternative to ‘virgin’ ones.

Sharp fluctuations in the cost of raw materials do not only make growth more volatile, but can undermine whole business practices overnight. Nearly a third of all profit warnings issued by FTSE 350 companies in 2011 were attributed to the rising cost of resources.<sup>4</sup>

Government can also do more to help design out waste in the first place. Industrial design is a British success story, and we can be a world leader in fostering an advanced design community committed to thinking about a circular economy.

Small changes can make a big difference to the reparability and recyclability of products – but they must be made at the design stage. Labour’s Policy Review will explore the role of government procurement standards in encouraging manufacturers to take their environmental commitments seriously.

We will explore how, as resource security impacts on all aspects of growth, business and the natural environment, we might better coordinate government policy in Whitehall, and encourage and support innovation in designing out waste and fostering new approaches to resource efficiency.

### **Leading the Way**

**To create investor confidence, government must lead with ambition and consistency.**

Britain competes with other nations not just for new technologies, but for international investment as well. New infrastructure must be constructed to ensure we have sufficient capacity to recycle our resources, and new services must be designed and built. The Government talks about international leadership, but the Chancellor, George Osborne, has stated that Britain will not go further than other nations in environmental sustainability.

Recycling targets have driven cultural change, and the last Labour Government’s landfill tax escalator gave a financial incentive to change inefficient practices. Labour’s Policy Review will review how targets can be realigned to drive up performance across local authorities and commercial waste producers.

To meet our EU obligations we must recycle 50 per cent of municipal waste by 2020.<sup>5</sup> The Government plans to barely meet this challenge, through devolved administrations exceeding this target and allowing England to underperform. The targets set out to do the bare minimum while other advanced nations are focusing on leading and attracting investment.

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<sup>4</sup> Consultation on a Scottish Landfill Tax, Scottish Government, 25 October 2012  
<http://www.scotland.gov.uk/Publications/2012/10/3524/6>

<sup>5</sup> European Commission  
<http://ec.europa.eu/environment/waste/index.htm>

Yet Wales and Scotland have adopted a more ambitious approach, meaning that by 2025 the devolved nations will recycle 70 per cent of household waste. Countries such as Germany, the Netherlands and Sweden send close to no municipal waste to landfill. They have been freed to explore new technologies and practices to divert waste.

Labour will demonstrate clear leadership on resource management. We will explore and consider views on how ambitious we should be reducing household waste sent to landfill, including whether the next Labour government should align England's recycling targets with those of Scotland and Wales, meaning that by 2025 we must recycle 70 per cent of household waste, while continuing to give councils scope to provide bin collections suitable for their area. We will look at how best to ensure the private sector is incentivised to help deliver higher recycling and greater re-use of materials, and what role both regulation and voluntary approaches should play in reducing environmental impacts and stimulating markets to recycle or re-use materials

### **Creating British jobs**

**Government must be focused on retaining and creating new UK jobs, not exporting them.**

Domestic recyclers rely on high quality supplies. But there is evidence that the standard of collected material can be poor, and that some UK manufacturers are importing increasing levels of recycle from other countries.

At the same time, exporting materials for recycling can be more profitable than retaining them in the UK. Businesses are incentivised, through the PERN (packaging waste export recovery note) system to export poor quality recycle to be re-sorted overseas. We are missing opportunities to create jobs at home, and instead exporting them abroad. When we export waste we also export the environmental and social hazards that accompany it. We want to explore how best we can ensure that recycled materials are produced to the high standard the industry needs and what can be done to promote a level playing field for UK manufacturers.

Consumers increasingly expect their goods to be ethically produced. A circular resource economy, in which finite resources are recirculated continually, should seek a non-exploitative approach to material reprocessing. Our environmental commitments should not be met through exploiting the labour of poor people and their children in developing nations.

We are keen to consider views on how government can help promote 'fair trade' recycling.

We will also consider how best to enhance the enforcement of existing legislation to promote compliance and improve the standard of feed stock.

The potential of the resource industry to create the green jobs we need is significant. Crucially, it already provides jobs in every region, for every skill level and increasingly, for all genders. It can do this even more with effective government leadership. In order to fulfil this potential we will need to ensure the skills and training needed are in place.

Labour's commitment to reduce the burden of higher education tuition fees could help attract a new generation of young people to careers in waste and resources.

We will explore how government can further promote the skills required to create an advanced resource economy, including for the 50 per cent of our young people who do not go to university, looking at what opportunities exist to generate new jobs and industries in the UK through higher recycling and better use of resources.

### Case studies: Designing out waste

Kyocera, the global printing firm, have redesigned their printers to make them friendlier to the environment.

Most printer cartridges have many components, making them difficult to recycle. It's estimated that 47 million go to landfill each year in the UK. A conventional cartridge will contain parts made from a variety of different materials.

Typically just over a kilo of steel, aluminium, rubber and several types of plastic go into a single cartridge. All are valuable materials that could be reused. Because of their complexity, however, they are simply too expensive to dismantle and recycle.

Kyocera has re-designed their printer cartridges, and have developed long-life components that last far longer than conventional cartridges.

By building the majority of these components directly into their printers, now all that is refreshed is a small plastic box, spindle and a couple of cogs - which are far easier to recycle.

## Case studies: Government leadership

Wales' recycling rate has been increasing year on year.

Ten years ago the Welsh Government set a 40 per cent recycling target by 2010 amidst concerns that it was too ambitious. They have surpassed this and set a new target of 70 per cent by 2025.

Behind this success story are a number of factors. Every local authority offers a separate food, or food and green waste collection. Most have adopted weekly collection of food waste and recycling, and fortnightly collections of residual waste.

They have also embarked on an ambitious education campaign lead by Waste Awareness Wales to let the community know how and why they should recycle.

Ultimately, none of this would have been achieved without ambitious political leadership by the Labour government in Wales.

## Case studies: Procurement standards

Apple's decision to withdraw from, and to subsequently re-enter to the EPEAT (Electronics Product Environmental Assessment Tool) Registry set by the Green Electronics Council in the USA illustrates the power of government purchasing standards. EPEAT requires products to be designed to high standards that ensure ease of recyclability.

After the decision, San Francisco city officials moved to block purchases of Apple products by municipal agencies. The U.S. Federal government requires that 95 per cent of the electronics it purchases be EPEAT certified.

"We are disappointed that Apple chose to withdraw from EPEAT, and we hope that the city saying it will not buy Apple products will make Apple reconsider its participation," said Department of Environment Director Melanie Nutter.

Shortly after the decision, Apple announced they would re-list with EPEAT. Senior vice president of hardware engineering Bob Mansfield said: "I recognize that this was a mistake. Starting today, all eligible Apple products are back on EPEAT."

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