



24 East Claremont Street, Edinburgh, EH7 4JP, United Kingdom
T: 00 44 (0) 131 556 2006 E: info@recycling-institute.org

**Paper to be delivered by Marlyn Glen MSP in the closing ReRegions conference in
Most in April 2007**

Opportunities for Regeneration through the Green Economy

My theme today is the economic climate in which we attempt regeneration. I want to draw attention to the unspoken nature of its challenges, and why solutions within a conventional framework are, and have historically been shown to be, almost impossible. I then want to go on to describe our view of the changes taking place in the economic landscape, and how these changes provide new avenues for economic development, opening up the possibility of economic regeneration as it has never existed before. I will end by discussing the practical implications of my analysis, and what we are attempting to do in Scotland, as a direct consequence of our work in the ReRegions programme.

Before I start, I should introduce myself and explain my relationship to the ReRegions programme. I am a member of the Scottish Parliament; my party is the Labour party, and is the Government party in both Scotland and the United Kingdom. Our Prime Minister, Tony Blair, will be known to all of you, and I hope you will also be familiar with Scotland's First Minister, Jack McConnell. I have for some time had a special interest in the environment, and am responsible for chairing the Cross Party Working Group on Waste in the Scottish Parliament. For this reason, I have been pleased to follow and support the launch of the International Resources and Recycling Institute, I have been impressed by its work in the ReRegions programme, and by the ReRegions programme generally. This opportunity to address your closing conference gives me particular pleasure, not least because it coincides with the launch of the International Resources and Recycling Institute's own membership scheme, which is now open for you all to join. I think our work together here is important and productive and I hope this presentation will play its part in furthering the work of your partnership beyond this final phase of the original ReRegions programme.

To begin with, my message is bleak. The economic climate can be seen as bleak. If an economy needs economic development and especially if it needs regeneration, this is because it is suffering from problems associated with low employment. This is matched by an even more pessimistic outlook in the physical climate. We live in a world which scientists now agree is suffering from overwhelming problems of global warming, however it was caused, and the consequences for the human race could be disastrous. But, as we will see, the second problem actually contains the seeds of the solution to the first problem.

Economic development and economic regeneration are modern concepts. They have been most actively pursued in the post-industrial economies of the First World, and the pre-industrial economies of the still so-called Third World, where they are usually pursued by agencies of the First World. They share a common problem. Economic development or economic regeneration sets an objective of business and job creation as a means of stimulating economic activity and hence the prosperity and well-being of the community or society. The pioneers of economic development believed that the stimulating, or incentivising, of business activity would, of its very nature, increase business activity. They believed that an artificial intervention in the process of business creation or business development would overcome the barriers that might otherwise prevent the creation or development of business.

A free market capitalist might analyse this as ignoring the fundamental principle that markets find their own levels, and business activity within a market will similarly find its own level. If this principle is an accurate reflection of reality, an artificial intervention will have an effect for

as long as the intervention lasts. But it cannot be expected to continue to have any effect beyond this.

In the case of regeneration, when a previously active economy requires reviving, as is the case in regions of past brown coal mining, the problem is exacerbated by an even more cruel circumstance.

The problem is that economic regeneration can often be most difficult in those regions that most need it, because these have often been the regions where economic activity was low in the first place. There is a natural link between economic activity, ease of access, transport and communications, and population density. The geographical distribution of enterprise is not accidental, random or haphazard. We find the great centres of commerce and trade are located in the great cities of the world, because these cities are located at the most favourable geographical point for communication, transport by land, transport by river, transport by sea, for access, for habitation, and for proximity to productive regions of the country. Commerce and trade found these places, and they became the large conurbations we know today as a consequence.

By contrast, areas of brown coal mining have tended to be remote, underpopulated regions, of low economic activity, up until coal was discovered. The geographic distribution of coal fields is an accident of nature which pays no attention to the requirements of human commerce, hence, when mining ends, the associated conditions required for active economic life also end. But the area will have now become more heavily populated by the workforce attracted to the region by the opportunity of employment given by the mines. The sequence of events in the life of a region that we are dealing with is:

A remote area is thinly populated when...
coal is discovered and then...
population explodes (it would more than double or treble) and then...
mining supports the region and then...
mining becomes uneconomic or exhausted and then...
employment declines when...
job opportunities are not adequate for the size of the population and then...
socio-economic hardship results because...
the remote area is now heavily populated with people but...
sparsely supplied with business opportunity

The Issue is:

What happens next?

The task of regeneration is challenging, and nowhere is it more challenging than in former mining regions. These are regions which have little alternative claim to economic independence. They were often remote, thinly populated and economically neglected or inactive prior to the discovery of coal. The geological accident produced great prosperity and intense activity during the lifetime of mining in the region. But it often failed to stimulate self-supporting industry or commerce of any other kind. When this has been the case, the failure of mining means the failure of the local economy. The problem is that no natural economic corrective exists for this problem. The geography of these regions, then, often actually counts against future economic development.

However, the Green Economy fortunately offers a potential lifeline. The geographical spread of the Green Economy follows different principals from mainstream industry, yet it is growing faster than mainstream industry and has taken on an urgency that is directly opposed to mainstream industry. Opportunities are emerging. The availability of source materials, the inviting cost structures, and the inclusive social application of many business opportunities within the Green Economy suggest the development of an alternative economic paradigm, one which can help to restore a suitable environment for human economic life at the same time as regenerating regions where past excess has destroyed so much. This is about a new force in economic life, a positive force for real regeneration.

But at the very same time, the Green Economy exists for the purpose of addressing a challenge that has nothing to do with our fiscal economy. The Green Economy is harnessing economic activity for the purpose of addressing human engagement with the natural world, so that we can meet the environmental challenge. If global warming is as advanced as some fear it might be, we have an urgent need to direct our enterprise and the productive work of our communities across Europe and the World towards activities that put this right. These activities have to be viable technologically, socially and economically. They will not happen if they are not viable. Hence the term, Green Economy, is especially suitable. And hence the category, the Green Economy, is especially suitable for economic development in regions that require regeneration.

In the ReRegions programme, the work that the partners have undertaken has produced one simple, experimental idea for stimulating innovation in the Green Economy. It is a business incubator for social businesses in the Green Economy, called Green Shoots. I want to end by saying that this idea has been turned into a reality in my own local community in Dundee, Scotland, and we are now able to see how it might work. It was launched, in the presence of the ReRegions partners, last September in Dundee. So far, it has already made progress launching one business and incubating two others to a point of viability. Its value to our work is that it is not only committed to providing the support start-up business needs to succeed; it is not only committed to social businesses and the Green Economy; it is also committed to innovation. It IS an experiment, but it is this kind of experiment that we need more of, if we are to successfully transform the economic paradigm of our world, and regenerate not just the regions of economic hardship, but also the environment around us.