



**TOWARDS A GREEN JOBS STRATEGY:  
THE RESPONSE OF FORWARD SCOTLAND**

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## **The Consultation Paper**

1. *Forward Scotland* welcomes the publication of the consultation document by the Scottish Executive. It helps to raise the profile of issues around sustainable development, and focuses on the important issues of identifying:

- the opportunities for businesses to deliver services and manufacture products as part of the greening of Scotland's economy; and
- the employment opportunities that can be generated by this process.

At the same time, the consultation document raises questions about what Government and its agencies can and should be doing to promote a greener economy and to secure the greater jobs benefits that can flow from this.

2. Forward Scotland was established in 1996 to promote sustainable development in Scotland through practical projects and influencing policy. As a company limited by guarantee and a recognised charity, the organisation has a Board of Directors drawn from a cross-section of Scottish interests and draws funding from a number of sources, including the Scottish Executive's Sustainable Action Fund. Forward Scotland has been involved in two important initiatives around sustainable development and jobs.

- In July 2001, the *Jobs in the Environment Support Unit (JITESU)* was established as a joint initiative of the Environment Task Force Working Group and Forward Scotland, which hosted and supported JITESU. A three-year funding package was secured from BP. In a brokering role, JITESU has made a significant contribution to the creation of environment-related job opportunities. It also collated and shared information with a broad spectrum of agencies at Scottish and UK levels on policy developments, research and good practice.
- Although JITESU's funding expired in July 2004 *Environment Jobs Scotland* is taking forward the issues identified by JITESU, with funding from the Scottish Executive Sustainable Development Directorate and Jobcentre Plus. The initiative will build links with community organizations and business to demonstrate the potential of the environment sector to provide recognized training to the unemployed and community representatives that can lead to long-term employment. The initiative will also work in partnership with key agencies to anchor and then mainstream the good practice and experience developed.

3. This consultation response is based on interviews with the former steering group of the Jobs in the Environment Support Unit, who will be supporting the Environment

Jobs Scotland initiative. This response also draws on the experience gained through Forward Scotland's management of the Jobs in the Environment Support Unit, and the research activities carried out by the Unit.

4. In framing a response to the ideas set out in the consultation document, Forward Scotland has organised its thinking around these key questions:

- ***Is the concept of 'green jobs' appropriate?*** We are more comfortable with the notion of more *sustainable jobs* associated with the development of a *greener economy*, and also feel that more needs to be done to help create attractive *careers* in a greener economy and promote these more professionally to all sections of the community, including those further from the employment market.
- ***What constraints do we face currently and prospectively in relation to greening the economy in Scotland?*** Our main view here is that the fundamental constraint is the lack of confidence of the business sector in the likely size and sustainability of the demand arising from the greening of the economy.
- ***What can Government and its agencies do to tackle constraints and promote opportunities?*** Our broad conclusion here is that targets on their own are ineffective, and need to be backed up by a more concerted and integrated effort around taxation, regulation, procurement and enabling development through the planning system.

### **Green Jobs – Or a Greener Economy?**

5. We have a fundamental problem with the term 'green jobs' insofar as it conveys relatively limited meaning to the staff of agencies able to play a support function, businesses and the population at large. In moving to the final draft of the strategy it would be helpful to put this in more familiar language, or in our opinion, it would be better to talk about '*Maximising the Job Potential of a Greener Economy*'.

6. Where meaning does attach to the term 'green jobs' this can often be damagingly narrow. In the public's mind it conjures up very specific jobs such as Countryside Ranger, Forestry Worker etc. etc. This tends to reduce the perceived significance of the employment gains associated with greening the economy and so major players may not devote sufficient resource to this type of employment generation compared to currently more 'sexy' sectors (e.g. biotech, creative industries, etc).

7. An additional concern we have with the term ‘green jobs’ is that it suggests that the jobs themselves are different in some respect, and to some extent mythologizes these jobs. The reality is that the vast bulk of jobs created through the greening of the economy will be in themselves not intrinsically different from the types of jobs that currently exist. They will involve, for example, jobs in manufacturing processes, professional services, various types of management, administration, etc. Labelling them ‘green jobs’ could become a positive feature to the extent that the image generated is attractive in a variety of ways, but we are concerned that in many quarters ‘green jobs’ are equated with environmental jobs, and environmental jobs are equated with low wages, low skills, and limited career prospects.

8. Forward Scotland is comfortable with the distinction drawn within the *Green Jobs Strategy* between:

- **direct employment generation** i.e. jobs generated in the sectors which are in the engine room of the process of greening the economy, for example, waste recycling and renewable energy; and
- **indirect job generation** flowing from enhanced competitiveness associated with increased resource efficiency.

Clearly these two types of employment generation are closely related insofar as the drive to achieve greater resource efficiencies will generate demand for businesses that sit in those sectors of the economy which could be described unambiguously as ‘green’.

9. If we are right in arguing that the focus needs to be on the employment impacts associated with the ‘green economy’, we would argue that in addition to our focus on conventional economic growth and sustainable development, the Green Jobs Strategy needs to build in more explicit links with the *social justice* agenda. The references made to this are strictly limited and tend to revolve around neighbourhood or community regeneration and its linkages to environmental programmes, again a very traditional perspective. We believe that in this context there needs to be an articulation of the links between the Green Jobs Strategy and **Community Planning** as this will be central to tackling the problems of neighbourhood regeneration as well as the issues faced by fully excluded groups more generally.

10. A critical consideration in attracting more disadvantaged groups into the employment associated with the greening of the economy will be the opportunity to enjoy **career** advancement rather than being stuck in low wage, entry-level jobs. This reflects the evidence of many studies that benefit traps hold many jobless people in a

state of economic inactivity. In these circumstances, the opportunity to see potential earnings progression is key.

11. The developments within New Deal, also reflected in many more localised training initiatives, towards customised or tailored routes into particular types of job opportunity offer a model which could be applied to specific emerging green sectors of the economy.

12. However, we are not arguing here that jobs generated, particularly in the ‘green’ sectors such as waste recycling, should become the preserve of, or seen as somehow more appropriate for the more disadvantaged sections of the community. Rather, our contention is that we need to ensure that the more disadvantaged sections of the community have reasonable access to the employment generated through the process of greening the economy, and the best way to begin to achieve this is to articulate it in a strategic framework.

### **What Holds Back the Greening of the Economy in Scotland?**

13. In very broad terms, we perceive the fundamental constraints on the greening of the economy and the associated development of key sectors such as waste recycling and renewable energies, lie more on the *demand side* rather than in terms of business capacity. The two critical issues on demand side are:

- the size and rate of growth of the demand for the products and services of the emerging green sectors; and
- the perception of the future prospects in terms of the demand for the products and services of these sectors.

14. Another kind of demand side problem, particularly in relation to raising resource efficiency, is that the smaller businesses find it difficult to respond to this kind of agenda. They tend to work to shorter term horizons, have shorter order books, do not often have much by way of dedicated management staff – and so engaging with and progressing resource efficiency concepts and measures is not easy for them. This is analogous to the problem of workforce development for micro and small businesses. This means that we need to get smarter in the way we deliver services promoting and supporting increased resource efficiency to the small end of the business community.

15. The *Green Jobs Strategy* places a very heavy weight on the *target setting* process as the principal driver for moving the economy as a whole more onto a green footing. However, targets are set by governments, and governments are known to change their

targets as required, or indeed when forced to by budgetary considerations – and additionally governments change. More generally, we perceive a growing cynicism about the role of targets in driving behaviour within the public sector. In effect, businesses which are being asked to invest in implementing new technology, expanding capacity etc. are looking for much stronger signals to persuade them that the investment risk is justified, when there is so much uncertainty about the future demand for their products and services.

16. An additional constraint which also has a time dimension, but also acts as a signal of the ability to convert targets into outcomes, is the impact of the *planning process* which constrains both the extent and pace of growth and demand. This is most visible in relation to the development of wind farms in various parts of Scotland. It remains to be seen whether other emerging green sectors may confront similar difficulties and any problems arising from this need to be anticipated.

## **What Needs to be Done to Accelerate the Greening of the Economy?**

### **Strategic Fit**

17. In terms of strategic linkages, the *Green Jobs Strategy* needs to be nested more overtly within *A Smart Successful Scotland*. This is not difficult as it can highlight:

- the links between sustainable development and long term increases in *productivity* through *resource efficiency*; and
- the potential contribution of the *employment generation* associated with greening the economy to increasing Scotland's *employment rate* and reducing the joblessness problem.

As *A Smart Successful Scotland* clearly articulates, closing the gap between Scotland and our more successful international competitors on GDP per head depends on increasing *both* productivity *and* employment levels.

18. For us, a smarter Scotland in economic development terms would be one where the promotion of resource efficiency and the development of the green sectors of the economy would be placed at the centre of our effort to become more competitive in a global setting. We believe that the green economy is a competitive economy.

### **Procurement**

19. As it is our contention that a much greater effort needs to go into driving forward the greening of the economy by *stimulating demand*, an obvious lever to pull is in the area of *procurement*. The public sector in its various guises is a major procurer across many areas of the economy. For some time, we have seen encouragement given by governments to the public sector to move towards procurement for longer

term *'best value'* rather than seeking the lowest cost provider. However, ironically, it could be argued that the private sector is more prone to procure on a smarter, best value basis than the public sector. A good case in point is the developing of *partnering* for the procurement of construction services by major players such as the hotel and supermarket chains, the British Airports Authority etc – whereas the public sector is still very much focused on competitive tendering, short term contracting and tender selection based on lowest price. All of these mechanisms militate against the development of the newer sectors, materials, processes and technologies which need to come through to take forward the greening of the economy.

20. In the public sector, often the problems are budgetary constraints and short term budgeting. Government at the national level, on the one hand, promotes positive procurement but, on the other hand, sets or constrains budgets in line with short term political priorities. More encouragingly, recent guidance from the Deputy Environment Minister invites all public bodies to conduct *environmental audits* to see how they can contribute to resource efficiency, waste minimisation, etc. Given the massive volume of contracting for services coming through the public bodies this type of process needs to be cascaded down to their contractors via the procurement mechanism.

#### *A More Supportive Planning Framework*

21. The Scottish Executive sets the framework for planning processes at the local level for Scotland. There are concerns that the planning system currently frustrates the pace of development particularly in the area of wind farms. This is a difficult area and we appreciate the range of local sensitivities to these kind of developments. If there is to be a stronger drive in Scotland towards the greener economy, the planning framework and processes should be urgently reviewed to assess how they might better support this development.

#### *Creating Confidence to Invest*

22. Government needs to create confidence in the businesses who will lead Scotland's drive towards a greener economy. Partly this is about speeding up the *planning process* and introducing change to *public sector procurement* processes, leading to enhanced demand for the products of the green sectors. Additionally, it about showing a long term commitment to supporting this process. Setting long term targets does not help where they are viewed with scepticism. Committing budget on a longer term basis is likely to have more influence. We are impressed by the difference in approach towards the promotion of wave power adopted by the Portuguese

Government and the Government in the UK. In the Portuguese case funds have been committed to a 15-year programme, whereas in the UK the commitment is for 3 years.

### ***Supporting Business***

23. The ***Green Jobs Strategy*** makes much of the role of the various agencies charged with supporting business development. Two things are required here, linking to the direct and indirect employment generation associated with the greening of the economy.

- In relation to the ***indirect employment impacts*** arising from greater resource efficiency, as a potential for realising these resource efficiency gains runs across all types of business and sector, the onus here needs to fall on the staff of economic development organisations who are charged with delivering ***generic business support services***. In other words, the promotion of, and guidance on, achieving resource efficiencies needs to sit alongside advice on management development, financial appraisal, human resource management etc. This, of course, would require a substantial effort in skilling up the body of business development advisors across Scotland and we applaud the beginnings made to this process by introducing resource efficiency as a new module in the Premier Advisor programme for staff delivering Business Gateway. Additionally, we need to engage more effectively with the professionals (accountants, bank managers, lawyers, etc) who work on a regular basis with SMEs to raise their awareness of the massive potential of increased resource efficiency for their clients and help them with signposting clients to key service supports.
- In terms of support for ***direct employment impacts*** in key green sectors, it is perhaps not unfair to say that over the years the Scottish Office/Scottish Executive and the Enterprise Networks have not committed wholeheartedly to sectoral approaches or the more complex issue of cluster development and support. We would argue, however, that in the case of emerging industries characterised by expensive new technologies and initially modest market demand, governments seeking to grow these industries to global competitiveness needs to intervene more substantially. As we have argued above, in part this is about the stimulation of demand, but this should also include putting resource into the development of ***specialist support services*** which can then be used to assist the development of businesses within these sectors, and consequently the sector as a whole. In part this is about developing a cadre of staff who have a deep knowledge of emerging sectors, their markets and technologies. This type of effort was put into Scotland's

infant electronic industry in the late 1970s under the auspices of the Scottish Development Agency – and this approach needs to be re-visited, and more importantly resourced appropriately.

***In all of these instances, however, business needs to be more involved in helping design the kind of service supports they need from the public sector and its agencies.***

24. In an effort to underline the importance of developing the businesses sitting in the emerging green sectors, the consultations we have carried out suggest that although the development of the science, and the prototypical technologies is well supported – but it is the successful transfer of these technologies into a sustainable commercial setting within Scotland which remains the principal weakness. We need to redouble our efforts in this area.

### ***Supply of Skilled Labour***

25. Another key requirement if particular green sectors of the economy are to be able to respond quickly and effectively to emerging market opportunities will revolve around the ***supply of skilled labour***. Whereas well established industries and sectors have settled mechanisms for identifying training changing needs, influencing established training programmes in colleges, universities and in the private sector and so securing a relatively effective supply of skilled labour, this kind of infrastructure does not yet exist in the emergent green sectors of the economy.

26. To the extent that some kind of sector skill council can be developed to cover sectors such as waste recycling and renewable energies an early task will be an analysis of the job structure in these sectors and the training required to allow employees to carry out these jobs to a competent level. The information generated by this type of analysis can form the basis for a more proactive campaign to raise awareness of the opportunities available in these industries. This information then needs to go down through Careers Scotland and other agencies involved in career guidance to reach out to prospective recruits into these sectors. This is not a trivial task and it will include the development of new and attractive career materials as well as an extensive ‘briefing’ exercise involving staff in these organisations. To echo the point made at the start of this submission, ‘green jobs’ does not really convey any clear message to a young person looking for a career or a more mature individual looking for a change of direction. At some stage – and ideally soon – a much more grounded approach to talking about these jobs needs to become the norm. Media messages are also likely to be very important here and a good case in point is the

significant ramping up in the number of apprentices going into trades like plumbing on the back of very bullish media stories about the growth in earnings in this trade.

### ***Carrots and Sticks***

27. We appreciate a balance needs to be struck here, but there is a need for a comprehensive review of the ***relative weight and effectiveness of the financial incentives and disincentives*** intended to promote business behaviour more in tune with sustainable development. Although we would argue that conventional economic growth and sustainable development are complementary in the longer term, we need to accept that in the shorter term if the taxes and levies on the behaviours that we seek to eradicate are set at too high a level this can seriously erode competitiveness. The issue here, we believe, is to review whether or not the current levels of these levies is having a significant impact on business behaviour, and if not then they are clearly not working to promote sustainable development. In the long run this will impede the drive towards resource efficiency and dampen down the demand for the products and services of the green industries.

28. Similar considerations apply to the use of regulation to effectively require businesses to behave in ways more conducive to sustainable development, and again here the difficult line to draw is between promoting sustainable development through the ‘stick’ of regulation and imposing additional short run cost hikes on businesses which seriously impair their competitiveness. We would like to think that the impact of regulation could be regularly reviewed alongside the impact of taxes and levies as these are two sides of the same coin.

### ***Implementation and Action***

29. In the revised *Green Jobs Strategy* we feel it is essential to build in an outline ***Action Plan***. This should set out a five year plan of action for how to move forward on each of:

- direct job generation; and
- indirect job generation.

A key issue will be the allocation of responsibilities for leading and partnering in the development and implementation of the actions required to create a genuine momentum for a greener economy. This plan will need to include some simple but appropriate measures against which we can track progress.