

## Notes of LINK-CBI Scotland meeting on 2.10.12 at CBIS, Glasgow

*Participating* Ian MacMillan, Andrew Dyce - CBIS;  
Ross Finnie, Helen Zealley, Dan Barlow and Jen Anderson - LINK

*Background* See App 1. CBIS is one of several business networks through which we hope to establish better dialogue with business

RF introduced LINK and umbrella role, suggesting greater dialogue for better mutual understanding, especially when public perception is of a need for more 'green'. He noted the rush to return to a pre-2008 position where growth matters above all and lack of national debate (cf National Performance Framework indicators) on sustainable development at Scottish, UK and global levels; and reported LINK's interest in complementary measures which can give a fuller picture of progress and health.

IM agreed conceptually, was aware of LINK definition of SD, felt borrowing by all had led to crash, and we could not return to post-2002 growth scenario, did not see manufacturing taking up slack. Efficiency and sustainability in resource use, and reporting on more than finance, are good directions, he felt.

DB noted some good developments, though not yet embedded, because of a tendency for the country to go for things that deliver GDP. The meeting agreed that investment should be directed to activity that does no harm – and not for example in things that ultimately need mopped up.

Did CBIS have groups on environment/SD? Not on SD. Business needs to thrive for benefit of people; that should also be good for the environment. IM would support environmental taxation to change behaviours, though timing is key and we must not harm business's competitiveness and ability to offer jobs in the short term. There was work afoot on low carbon (Colour of Growth) just now.

As regards harmful practice and measures to address, AD felt there should be policy focus indicators rather than ones around 'do no harm in growth'.

IM asked for more specifics in relation to indicators that would be better.

DB outlined the Humankind Index work in relation to the NPF, and its basis of feedback from people about concerns such as mental health, views about the economy and about work, about carbon emissions; the Index working with sophisticated measures based on data that is available; it was very different from groove of economic growth being pursued by Scottish Government. DB proposed that putting economic growth at the centre as SG are doing, downplays the importance of other measures, when we know that business too is interested in more than wealth – cf debate on youth unemployment. It would be good to get past the hurdle of having just a single philosophy and for LINK (NGOs) to be able to work with CBIS, sing from same hymnsheet, so as to get a means of measuring what we are collectively after.

IM indicated agreement.

DB suggested there may be opportunities for CBI and LINK to work together, say things in tandem on issues where we do share views (housing stock, rail, jobs, fuel poverty, climate change), find messages in common, and that we should scout for opportunities to come together on *ad hoc* basis to communicate these.

IM agreed it would be good to look at finding opportunities over 6 months.

DB suggested that whilst Government keeps focussing on 'silver bullet' of jobs the approach could be more diverse with a focus on jobs staying in Scotland, small projects rather than multinational-led; a decision not to dual the A9 and to opt for rail upgrade instead, eg. Did CBIS have a sense of Government priorities and how it reaches decisions?

In reply IM expressed some scepticism about some Government decision making processes though indicated A9 dualling is supported by CBI members; he hoped engines were becoming cleaner; he didn't pick up on the rail point. We discussed wind as the low carbon focus, still heavily subsidised and desirability of subsidy going to other green technologies and getting to something which produces the energy we need for industry and supports a grid upgrade.

We noted that the two orgs would have to be ready to indicate when/that there is no common position on some issues.

The desire for green housing was noted – is this discussed much in Scotland? The problem is with tenders cf. more traditional house design. What risk management issue is there? DB pointed out that energy efficient housing would free up money for further investment.

RF brought the discussion back to the need for a more sophisticated approach showing GDP with sustainability. IM agreed that this would be a different outcome.

Discussion noted that companies are also focussed on profits, but that the record on eg recycling has been raised within CBIS. He referred to responses to Safeguarding Scotland's Resources. He believed progress is being made, even if more slowly than desired.

We asked, with ref. to the Better Regulation agenda, where CBI stood and what better regulation should achieve in Scotland. IM felt the emphasis is on 'better' not necessarily 'less', about tackling where regulation is out of date, reasonable levels of expectation around compliance; he said it is not always easy to point to where the problem is with red tape. Regarding duty of economic growth, IM felt this is about encouraging activities rather than 'setting a shedload of regulations', about SEPA behaving differently, guiding environmental behaviour and clamping down on poor practice. In this respect IM said David Sigsworth is good for SEPA, sees the balance and gets it right.

In conclusion RF observed that our two agendas don't clash and that identifying opportunities for joint effort including on Indicators would be very helpful. IM agreed with that reflection of the discussion. AD would circulate LINK congress invitation to CBIS Infrastructure and Environment Group. RF suggested that a further meeting in 2-3 months might explore things further and reiterated that LINK was keen not to be seen as 'separate' from the interests of CBIS.

JA/LINK/16.5.13

## App 1 - Background agreed by LINK Board during 2012 for meeting with CBI Scotland

### Concerns:

- a. CBI pursuit of growth measured by GDP effectively paying lip service to the concept of sustainable growth;
- b. CBI opposition to planning laws which are portrayed as the single biggest impediment to economic growth;
- c. CBI opposition to all forms of regulation with no acknowledgement that the overwhelming majority of environmental regulations have been introduced to tackle pollution caused by its members; and
- d. CBI trumpeting members becoming involved in industries connected with the environment and its sponsorship of the annual awards for Vision for Business in the Environment of Scotland without demonstrating any real commitment to a more sustainable agenda.

### Topics for discussion:

*Selected to engage the CBI in a way that ensures a strong environmental input into the discussion:*

1. Sustainable Economic Growth - Developing LINK narrative on economic thinking but focussing on the definition of growth to emphasise the need for new indicators.

*Is CBI Scotland interested in formally exploring the concept of sustainable development and the need for a broader range of development indicators?*

2. Economic and Environmental Opportunities - Adopting LINK narrative but adding the importance and economic opportunity of businesses incorporation more sustainable practices.

*Is CBI Scotland interested in discussion of and possibly research into economic and environmental benefits to Scottish business of not only developing green business opportunities but adopting green business practices?*

3. Environmental Regulation and Enforcement - Develop a narrative around the importance of environmental regulation and proportionate enforcement - *Is CBI Scotland interested in trying to agree principles that would govern the promotion of environmental regulation and its enforcement?*

Bearing in mind (if not actively promoting all of) LINK positions (as summarised by Andy) on:

### Governance

LINK will publish Governance Matters and the Referendum Challenge. We don't intend to get involved in the constitutional debate. We are of the view that there are a series of problems with the systems and methods of governance in Scotland.

- Parliament is passing too many laws and not doing a good enough job of scrutinising Government.
- Government is still dominated by silo thinking, and does not seriously attempt to engage the policy community through consultations or stakeholder groups.
- The Courts are only slowly beginning to understand that we need more Scottish test cases to be sure as to what the legal framework actually is – and that to do this it has to allow greater access.
- We have no forum where all players in the Scottish policy community can debate the great issues.

### An Environmental Court

LINK has been working on legal governance issues and is concerned that where environmental and planning laws are concerned that there is (a) currently no centre of expertise in the Scottish Courts, resulting in extended, costly appeals; and (b) a lack of consistency in the application of the laws, resulting in uncertainty for all concerned. We have pursued a consultation on the establishment of an Environment (and land law) court to discuss how these problems might be solved. We have studied environmental courts and tribunals in the United States, Australia and elsewhere. Many of them have received the active backing of business – in order to establish the same expertise and clarity that we seek. We are currently in discussion with the Scottish Government about how they might organise such a consultation.

### Economic Thinking

LINK's work is on marshalling arguments for better indicators of economic, social and environmental success in our society. We are part of the rapidly growing group, including many economists, that has serious doubts about the standard models of GDP or "sustained economic growth". We believe in sustainable development that is within environmental limits – but we believe that achieving sustainable development requires entrepreneurship and new thinking, and is full of business opportunities.