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Resource Resilience and a Prosperous Economy

By Steve Wallace, Director, the Aldersgate Group

The Aldersgate Group launched its second Circular Economy (CE) report, "Resource Efficient Business Models: The Roadmap to Resilience and Prosperity", which was the culmination of a number of workshops held with Aldersgate Group members and other stakeholders as part of project REBus.

The launch event was attended by 100 people from a diverse range of sectors covering business, finance, NGO's and parliamentarians and was hosted by Joan Walley, Chair of the Environmental Audit Committee. What was abundantly clear from the guest speakers from National Grid, BT, Interface and Jaguar Land Rover was that they have not embarked on the CE journey for altruistic environmental reasons, but due to good business sense born out of a desire to make their businesses more resilient and profitable. The environmental benefits are there and are to be applauded, but they are a welcome consequence, rather than the primary driver. Feedback from stakeholders of all types was positive and, whilst there will always be debate about the finer points, this genuinely seems to be an area where everyone agrees that more can, and should, be done. In its 2012 report "Resilience in the Round", the Aldersgate Group identified three steps in the transition to the Circular Economy.

The first was identifying the vision, the second was an exploration phase where pioneers would undertake trials to demonstrate the value, and the third was a shift to significant scale. Through the work of the pioneer companies, CE principles have been shown to be a win for business and a win for the wider environment. But, it is a mark of the determination of many of the early adopters that they have succeeded in spite of national policy and regulation, rather than because of it.

The barrier to wider uptake is shifting from the need for vision and proof of concept to a mismatch between what can be done and what is supported by regulation. A better regulation agenda should cover: fiscal policy (parts of the current system reward resource use over resource efficiency); environmental policy (we should no longer stigmatise valuable resources just because they have previously been put to good use); proper valuation of environmental impact (it cannot be right to ignore the impact of producing virgin material when comparing it to its recovered equivalent); and, better design standards (targeted medium and long term design requirements that industry can respond to).

Through its huge public sector buying power, government also has a role to play in showing leadership and, in doing so, create markets, confidence and save money. Unless we change the system, and change it quickly, CE business models will remain the preserve of relatively few companies and the economic benefits that could accrue to the UK economy and society as a whole will not be recognised. Support the majority to make the transition and a prosperous and resilient UK could lead the resource revolution.

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