

Theme 2: Economic Development

A Sustainable Future
for the South West



The Regional Sustainable Development Framework
for the South West of England



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Headline Indicator:

Proportion of households in the South West with an income of less than 50% of the national average.

Setting the Scene

In a sustainable approach to economic development, there is a clear recognition that a successful economy does not depend solely on businesses competitiveness and growth. The ability to make social progress and protect the environment is enhanced by a successful and vibrant economy. It is increasingly recognised that economic success cannot be separated from the environment in which it operates or from the society on which it depends.

In fact, economic growth, if understood solely as a way of measuring the sheer quantity of economic activity, may even turn out to be an unhelpful objective. Placed within a context which also accounts for use of natural and social capital and damage to environment or people, then it's the quality of that growth which is the most important thing of all.

It is particularly important in the South West of England that the interdependence between the economy, environment and society is developed both as an end in itself and as something that brings competitive advantage to the region. The physical and cultural landscape of the South West underpins much of the business activity in the region, and serves as a key attraction for investment, tourism and migration. Equally, the availability of skilled and flexible workers is a major asset to business. The role of vibrant, healthy communities is another component of successful economic development. These things must be seen in the round to secure the kind of environmentally and socially responsible economic growth on which we all depend.

Too often, these issues are dealt with separately rather than being seen as part of an indivisible whole. Too often, environmental or social welfare issues are seen as barriers to economic growth. This need not be so - indeed, in a more sustainable future, it must not be so.

This takes nothing away from the critical role that business plays in generating wealth and in providing jobs, services and goods. The Business and Work section proposes a number of ways in which support for business development and job creation can contribute to a more sustainable economy. In this section we explore a number of proposals for developing economic policies and activities within the South West region that will improve economic competitiveness while minimising negative impacts.

The Regional Strategy, produced by South West RDA, was clear that the future of the region's economy was dependent on four things. These four 'drivers' proposed:

- to develop the human and social potential through skills and learning
- to capitalise on the economic potential of the environment
- to ensure world-class and competitive businesses through best practice and innovation
- to improve co-operation within the South West - between sectors, locations and businesses

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What are the opportunities for improving sustainability?

There are a number of practical ways in which economic development can be made more sustainable while encouraging strong and competitive businesses. Here are a few examples:

Competitive Edge

The Regional Strategy identified seven priority sectors for the South West. Of these, the environmental services sector, food and drink and Media, Information and Communications Technology (e.g. e-commerce) all have enormous potential both in terms of generating new economic wealth and contributing positively to local communities and the environment. The South West is particularly well placed to capitalise on renewable energy, sustainable tourism, organic agriculture and other land-based industries.

Plugging the Leaks

While the region is as much a part of the global economy as any other in the UK one key means of achieving economic efficiency is to reduce the leakage of human and financial capital out of the region. Measures to retain wealth in the South West through improvements in supply chains, encouragement of more local purchasing and targeting local investment opportunities will help to maximise the return on each pound that enters into the region's economy. Measures should be put in place to 'embed' new companies into the regional economy and to actively support the formation of new companies. Clearly imports and exports will continue to have value, but a sustainable economy will also seek to maximise circulation of wealth within the Region.

Enterprising Communities

The social economy (which lies somewhere between the formal economies of the private sector and the public sector) offers real opportunities for local communities to engage in collective economic activity. This not only provides much needed goods and services within communities, but also gives a measure of control over their own economic future. Generally small scale, these individual enterprises (credit unions, local exchange and trading schemes, community businesses and the like) can, taken together, transform local communities.

The way things work

Economic activity creates not only wealth but also waste and pollution; it consumes raw materials, land and creativity. It will become every more critical that the infrastructure on which the economy of the South West depends, is managed in a more sustainable way. More effective public transport systems, a universally accessible communications infrastructure and a more sustainable approach to planning will all help to mitigate the worst environmental and social effects of economic activity. They will also help to stimulate growth and development in appropriate locations and appropriate sectors.



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What are the objectives for improving sustainability in the South West?

Objective	Examples of how it might be achieved	Links to potential partners and processes
Increase the circulation of wealth within the region	<ol style="list-style-type: none"> 1. Establish local purchasing schemes 2. Build supply chains between large and small companies 3. Establish regional investment fund 	Regional Supply Network, SW RDA, local authorities, SBS, the business community, social banks, sub-regional economic partnerships
Develop greater integration within key economic sectors	<ol style="list-style-type: none"> 1. Support regional sector initiatives 2. Develop links between key sectors and research bodies 	SW RDA, DTI, CBI, Federation of Small Businesses, FEFC, Sector Forum
Ensure necessary infrastructure to support a more sustainable economy	<ol style="list-style-type: none"> 1. Ensure people can live closer to their employment 2. Improve urban, inter-urban and rural public transport services 3. Encourage greater use of ICT to reduce the need to travel 	Local authorities, Regional Assembly, Housing Associations, Countryside Agency, RDA, GOSW, sub-regional economic partnerships
Encourage community involvement in local economies	<ol style="list-style-type: none"> 1. 'Bottom up' community planning 2. Stimulating the social economy sector 3. Supporting more efficient voluntary and community organisations 	BACEN, Co-Active economic partnership, SW Development Trusts Association, RDA, local authorities, regeneration partnerships, SW Forum, Black SW Network



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