
8 VIBRANT AND SUSTAINABLE LOCAL ECONOMY

We are committed to creating and ensuring a vibrant local economy that gives access to employment without damaging the environment.

Sustaining economic development and creating long-term, stable jobs depends on protecting the environment against the potentially damaging effects of growth and on preventing excessive depletion of exhaustible resources. Increased attention to environmental measures will improve efficiency and productivity. Pursuing enhanced eco-efficiency may also act as a driver for innovation, improved productivity and hence competitiveness, growth and expanded job opportunities. The expanding market for high quality local products may moreover improve soil and landscape protection and preserve biodiversity.

We will therefore work to:

1. adopt measures that stimulate and support local employment and business start-ups.

The big economic sectors of society such as industry and transport have been responsible for causing significant environmental damage. It is clear the need to change course, moving towards a more balanced economic development that is underpinned by eco-innovation and the recognition of the economy's dependence on the environment. Under the relaunched Lisbon agenda, the contribution that eco-innovation can make to economic growth and employment is fully recognised. Although there are costs to environmental protection, there are also substantial potential gains from improvements in health and job creation in the eco-industries, as well as from more sustainable development.

The estimated total turnover of eco-industries (the bundle of activities that produce goods and services that measure, prevent, limit, minimise or correct environmental damage) in the EU-25 is EUR 227 billion. In constant prices, the turnover of the eco-industries grew around 7% between 1999 and 2004 (for the EU-15 area). The goods and services provided by eco-industries represent approximately 2,2% of GDP in the EU-25 area. The total direct and indirect employment due to eco-industries represent approximately 3,4 million full-time job equivalents (DG ENV, 2006)¹.

Equally important to the encouraging of eco-innovation is the promotion of a culture favourable to research and development. There is a proportionally lower number of annual patent applications in the EU. In 2002, research and development expenditure as a proportion of GDP in the EU-25 (at 1,93%) lagged behind both Japan (3,12%) and USA, while the European Council (Barcelona, 2002) has set the target to reach 3% of GDP by 2010. The EU's new research framework programme (FP7) for the period 2007-2013 includes some EUR 2,5 billion for the environment, an increase of nearly 60% over FP6. In addition, the European Commission has proposed a competitiveness and innovation framework programme for 2007-2013 totaling EUR 4,2 billion, of which some EUR 500 million will be dedicated to supporting eco-innovation initiatives. There are also benefits to be achieved by recycling savings realised from resource productivity improvements towards investment in innovation. A recent study has concluded that if materials and energy savings were reinvested in research and development and engineering strategies, it would lead to 2,3% GDP growth, the creation of an additional 750.000 jobs, and decreased public spending on social welfare (EEA, 2005)².

In this framework, local authorities can play their role first of all by promoting more eco-efficient public procurement policies, that encourage the development and diffusion of environmentally sound goods and services ([Buying green!](#) [FSC Company Group](#)). Local authorities can also

¹ European Commission DG ENV, "Eco-industry, its size, employment, perspectives and barriers to growth in an enlarged EU, september 2006.

² EEA, The European Environment, state and outlook 2005.

contribute to strengthen the performance of eco-industry companies and help SMEs adapt to emerging market needs, by pursuing the collection of information on the size and growth potential of eco-industry markets, encouraging collaboration between developers, manufacturers and end-users, developing specialized “market intelligence” services for SMEs and supporting capacity-building initiatives for SMEs (training, creation of specialized networks) aimed at improving their market-entry capacities, and in particular at sharing experience and building partnerships on specific projects (developing new products, penetrating new markets, etc.) ([The Vienna EcoBusinessPlan](#)). Additionally, they can promote information campaigns to develop awareness of consumers on the availability of technologies and services offered by eco-industries, as well as on their costs and potential benefits. Several existing instruments such as eco-labels or eco-efficiency awards have proven effective to raise awareness and build consumer trust in the quality of the goods and services delivered ([The European Eco-label catalogue](#)).

Future economic growth must focus on ways to provide greener products. Aalborg Commitment 4 and 3 deal with measures to green the market, as well as preserve and protect natural resources. Equal opportunities, social inclusion are dealt by Aalborg Commitment 9.

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2. cooperate with local businesses to promote and implement good corporate practice.

Environmental concerns, growing public pressure and regulatory measures are changing the way people do business around the world. Consumers and shareholders are increasingly demanding environmentally-friendly products and services that are delivered by socially responsible companies. It is becoming increasingly important for organisations to demonstrate that not only their philosophies but also their investment strategies and day-to-day operations integrate social and environmental concerns. This attitude is now generally referred to as Corporate Social Responsibility (CSR).

At the European level, the Commission calls on the European business community to publicly demonstrate its commitment to sustainable development and to step up its commitment to CSR, including cooperation with other stakeholders (COM(2006)136).

Most definitions of CSR describe it as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and the relations with stakeholders. Within the company, socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety, and managing change, while environmentally responsible practices relate mainly to the management of natural resources used in the production (environmental management systems). CSR extends beyond the doors of the company into the local community and involves a wide range of stakeholders in addition to employees and shareholders: business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment. This relate to issues such as consumer information and transparency (reporting and auditing schemes, social and eco-labels) or socially responsible investment.

To fulfil their commitment to CSR firms can report compliance with a number of CSR standards, including: Social Accountability International's SA8000 standard, AccountAbility's AA1000 standard, Global Reporting Initiative's Sustainability Reporting Guidelines, Eco-Management and Audit Scheme (EMAS), set up by the EU, or ISO14000 environmental management standard adopted worldwide.

Though enterprises are the primary actors in CSR, local authorities at all levels can play an important role in further promoting CSR ([Responsible Procurement](#), [Social Accountability](#)). First of all they can give the example, by adopting themselves CSR standards, such as EMAS or ISO 14000, or by promoting their application to homogeneous areas (industrial districts or defined land areas) ([Trade Park 58](#)). They can also use regulatory means, such as administrative simplification resulting from CSR commitments ([Simplified Environmental Management Systems](#), [NEST - Networking with EMAS for sustainable development](#)). They can as well raise awareness about CSR and promote the dissemination and exchange of information, in particular in relation to good corporate social responsibility practice, standard setting, benchmarking and monitoring, accounting, auditing and reporting. Additionally they have the means to support enterprises in the involvement of stakeholders, in order to anticipate and deal with social and environmental issues which may be related to local businesses and to build pro-active engagement with stakeholders to better tune into strategic emerging trends.

Economy must become aware and include environmental, social and ethical concerns into business. Aalborg Commitment 3, and 9 deal with these issues. Aalborg Commitment 1 and 2 can help putting these topics on the political agenda.

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3. develop and implement sustainability principles for the location of businesses.

The way land is used has a massive and lasting impact on the environment. Poor decisions can lead to lost habitats, destruction of landscapes, or increased traffic pollution. Sustainable land use planning should consist of a whole system approach that seeks to control sprawl, preserve open spaces and farm lands, reuse existing infrastructure, create walkable neighbourhoods, locate places to live and work near public transportation, strengthen the development of existing communities and their quality of life.

Sustainable land use planning is particularly important when dealing with productive areas, because businesses may produce significant environmental impacts in terms of water, energy and raw material supply, air and noise emissions, waste production, wastewater discharge, transport needs, soil contamination, industrial risk, visual impact.

It is thus of great importance the development and implementation of sustainability principles for the location of businesses. Several questions need to be addressed: the conservation of both cultural heritage and natural resources; the protection of landscape and biodiversity, the need to minimize the development of greenfield sites by directing development to previously developed land and fostering urban regeneration; the protection of inhabitants from pollution and industrial risk, the minimisation in the number and length of motorised journeys, especially those made by private cars.

This requires a central focus on site location in spatial planning, a careful site appraisal prior to submission of any proposal for development and a sustainable site development, in order to assure the site eco-efficiency. The site appraisal should examine both the site and its surroundings and include an assessment of accessibility, particularly with regard to public transport, cycling and walking ([Trade Park 58](#), [Varese Ligure EMAS Municipality](#)). The location of a site is critical in that any gains made through an energy efficient building will be nullified if the development is reliant on energy intensive forms of transport. The sustainable site development requires that environmental considerations are at the forefront during the site planning stage and involves the environmental infrastructuring of the site. Local authorities are the main subjects involved in the development and implementation of these requirements, since they are responsible for spatial planning, strategic environmental assessment and environmental impact assessment, building regulations and licensing. Additionally they have the means to promote participatory approaches for the location of businesses, which could prevent conflicts among different stakeholders.

The implementation of sustainability principles in the location of businesses needs to be integrated into overall municipal spatial planning strategies. Thus, Aalborg Commitments 1, 2 and 5 serve as an initial frame. Aalborg Commitment 3 and 4 deal with efficient resource use and environmental protection.

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4. encourage markets for high quality local and regional produce.

In the context of reforms of the Common Agricultural Policy (CAP), increasing liberalisation of agricultural trade, and further restructuring of the agricultural sector, it is recognised that the more disadvantaged and geographically peripheral rural areas face particular adjustment problems. At the same time, within the EU, growing surpluses in conventional lines of production have obliged policy makers to increase support for diversification into new activities. One possible pathway identified both for the development of lagging regions and for diversification into new activities is the production of high quality products with a regional identity. Thus rural development policies in the EU have emphasised the need for, and have actively supported, the marketing of quality products, produced *inter alia* in ways compatible with the objectives of environmental protection.

This process has been driven even by consumer demands arising from concerns about food quality, animal welfare and the environmental issues in farming. Consumer preferences and lifestyles are changing and creating demands that are based on difference arising from such features as quality, scarcity, novelty and 'authenticity'. A particular aspect of this process is the significant and continuing expansion of consumer demand for organic produce in many European countries resulting in a progressive increase of the area under organic farming. This aspect is particularly important for environment protection, since organic farming implies not only high food quality but also a more environmentally beneficial production.

Labelling of products can be a useful tool for encouraging quality and environmental standards in agriculture (i.e. labels for integrated crop management or the adoption of biological control methods), and can also significantly contribute to a regions overall economic development. However, the regions need to address issues such as: the multiplication of labels, the complex certification systems that apply and their resulting costs, in particular for SMEs, as well as the extent to which creating common European standards actually promotes quality regional produce, rather than impede it. Beside labelling, another important tool for supporting sustainable development in rural areas are marketing strategies which combines the quality aspects of products with the regional imagery, local gastronomy, cultural traditions and the promotion of rural tourism.

Key elements in a local authority strategy for the development of high quality regional products and their markets can thus be: generating greater public awareness of the range and variety of quality products; promoting quality assurance schemes which do not unnecessarily penalise difference or uniqueness; providing close-to-producer supports for product labelling, presentation, promotion, and marketing ([Cittaslow - international network Slowfood](#)); facilitating producer-customer contacts; supporting collective organisation by small-scale producers and supporting actions designed to ensure that the views of producers, consumers and support agencies are in close alignment as regards the factors that define quality in regional products ([Res Tipica](#)).

The greening of the market can only occur through market forces. Aalborg Commitment 4 deals with creating high quality, green demand. Involvement of all actors is needed to achieve this goal – from local authorities to the industrial and commercial sector. Aalborg Commitments 1 and 2 promote the development of participative strategic visions for local communities. Local and regional production can be environmentally friendlier, healthier and promote social inclusion, equal opportunities and new job creation. For these issues, consult Aalborg Commitments 3, 7 and 9.

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1. promote sustainable local tourism.

Tourism will soon be Europe's largest service industry. Europe is already the world's favourite destination, with the sector generating up to 12% of GDP, 6% of employment, and 30% of external trade. Tourism demand is forecast to grow by almost 50% by 2010, adding some 2-3 million more jobs to the nine million it currently supports. Any industry already that large and growing that fast is going to cause environmental problems, and tourism is no exception. The industry is not just getting bigger - the way people are going on holiday is changing. The growing trend is for people to take more and shorter trips and to travel further from home. As a result, the industry's transport-related environmental problems, already significant, are expected to grow even faster than tourism itself. When on holiday, moreover, people tend to consume more energy and water and produce more waste. More and more Europeans are also building second homes, which have low occupancy rates and take up far more land than other accommodation types. Finally, most of these pressures are concentrated in a few small regions during a few weeks of the year, making dealing with these problems even more difficult. Although there has been a significant increase since 1990 in the use of eco-labels for tourism at the national and subregional level, their implementation remains marginal (EEA, 2005).

Thus, the encouraging of sustainable local tourism becomes a key issue for sustainable development and local authorities must start engaging in this direction. This requires an integrated approach based on a suitable balance between the environmental, economic, and socio-cultural aspects of tourism development. Thus, sustainable tourism should: make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity; respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance; ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation (UNEP).

Local authorities can work effectively for sustainable tourism at many levels, since they are responsible for a range of functions that can influence tourism development, including spatial planning, development control, environmental management and community services. Through spatial planning, local authorities can set rules to conserve natural heritage and the environment, control new development and location for tourism facilities. Local authorities can also promote integrated management by strengthening or developing policies and management covering all activities, including tourism. Moreover, they can involve all relevant stakeholders, particularly through local Agenda21, in the development of sound sustainable tourism management plans, and provide the organisation, facilities and enforcement capacity required for effective implementation of those management plans ([Promoting Sustainable Tourism](#)). Local authorities can also address sustainable tourism using management tools, such as Environmental Management Systems (EMAS, ISO14000) or Integrated Quality Management (IQM). Eco-awards and Eco-labels can be used to promote the eco-efficiency of the tourism facilities ([Greenkeys: an eco-label for hotels](#), [Pilat Regional nature park](#), [Blueflag](#)).

Setting goals, targets, indicators and monitoring procedures of tourism activities is also effective in a comprehensive approach to sustainable tourism, which can be further supported by a marketing strategy consistent with the sustainable goals and targets fixed.

Sustainable local tourism can contribute in delivering strategic objectives to the local authorities involved. Aalborg commitments 1 and 2 deal with these issues. Furthermore sustainable tourism is in line with the goals of Aalborg Commitments 3 and 4. As tourism attracts many people to an area, mobility, as set out in Aalborg Commitment 5, becomes a major issue and needs careful planning.

To find further Resources relating to Aalborg Commitment 8, click here:

http://www.localresources21.org/theme_matrix.php?t=8