



INDUSTRY

Background

IN101 "In its exploitation of natural resources, consumption of energy, production processes and generation of both pollution and wastes, the industrial sector is among the principal causes of environmental deterioration", European Commission, 1992. Modern industry is using resources and creating pollution at unsustainable rates. It is a tragedy that those who use our common resources irresponsibly are benefiting financially and politically.

IN102 At the same time that the ecological limits of the earth are being approached, deep social problems such as long-term unemployment are now commonplace. Yet, it is claimed that environmental protection costs jobs and cannot be afforded until greater wealth has been generated by further economic growth. Apparently, our problems can only be solved by doing more of what caused them. The Green Party rejects this myth.

IN103 Industry is supplying poor quality products and services which are not fit-for-purpose. Too many products are neither repairable nor reusable, have short lives, and are disposable.

IN104 Extended networks of ownership and control have resulted in communities having little say in decisions which affect them. This stems not only from corporate structures, but also from the legal institution of property on which they are based.

IN105 Many regions have been starved of investment and left dependent on fewer and fewer

industrial activities. At the same time, billions of pounds have been spent supporting the long-term unemployed. Current policies of propping up ailing industries, or of leaving industry completely at the mercy of market forces, have failed.

IN106 Competition and inequality now characterise modern industry. This race for riches has fueled the growth in consumption. Global marketing reflects and promotes wasteful consumer aspirations which cannot be met sustainably.

IN107 The funding of projects has become dominated by the potential short-term monetary return. Banking practice and the preoccupation with short-term profits now displace wider considerations.

IN108 Corporate expansion has created markets which are dominated by small numbers of firms. Groups of trans-national companies (TNCs) often quietly divide up markets amongst themselves to avoid 'frictional' reductions in profits. This free market has led to a destructive concentration of wealth and power. Over-large companies which apply central control and planning often damage entire regions by restricting them to a narrow set of industrial activities.

IN109 TNCs now heavily influence the policies of all governments and the European Union. This is not open to public scrutiny and is not accountable.

Principles

IN201 Every individual should have access to food, shelter and

the facilities to fulfill diverse material and social needs. Such needs require some industrial activity but must be met in an ecologically sustainable manner.

IN202 Sustainable industrial activity is defined as that which meets the needs of the present without compromising the ability of future generations to meet their needs. The Green Party does not share the orthodox belief that high consumption is a social virtue.

IN203 Industry must bear the full costs of protecting the environment against its activities over the complete industrial cycle. Adoption of the 'polluter pays' principle would minimise waste and pollution as well as ensuring that industrial prices more fully reflect the true costs.

IN204 It is important to encourage healthy regional economies. The environmental and social effects of local industry are more apparent to the local community. This gives the community a greater stake and therefore helps industry to become an integral part of the community.

IN205 Moving away from the global marketplace to local production for local use would minimise material consumption, energy usage, formal work and monetary flows (see [EC940](#) and [EC941](#)). The elimination of unnecessary trade would minimise transportation and reduce unsustainable activity in remote global areas. Radical changes will be required, such as the protection of local markets, finance and trading systems; the creation of new 'commons' - land

and amenities managed locally and accountably; and sustainable local control of enterprises.

IN206 Industry must be socially equitable. This requires its benefits to be spread equitably between different communities, between different sections in those communities and between all levels of the firm. Industry should not exploit any group in any country.

IN207 The rebuilding of local communities would make use of the huge human potential which is currently being wasted. It must include the active participation of the workforce. The Green Party rejects the narrow employment focus of orthodox politicians who want jobs no matter how exploitative. Work is something to be done only to achieve an end - it is not an end in itself.

IN208 Government has a role in creating the right climate for sustainable industrial activity, but the Green Party does not support centralised control economies. These consistently suffer from inflexibility, lack of diversity, and lack of accountability. Instead, effective action needs to be taken at local, national and global levels.

IN209 Governments, firms and community banks must select, develop and invest in those forms of technology which are appropriate to sustainable industry. These may be both 'high' and 'low' technology, but in general will be renewable, low energy and will promote ecological diversity.

Aims

IN301 To meet the real needs of society rather than simply fuel economic growth.

IN302 To move away from the global marketplace and instead

develop strong self-reliant regions. Within such regions, individual communities will meet a greater part of their own needs, for example, in food and energy production.

IN303 To create a new industrial climate which supports sustainable industrial activity and discourages all that is not.

IN304 To make products which are fit-for-purpose. For example, products must no longer be designed to be quickly obsolete nor to be cheaper to throw away than repair.

IN305 To draw on the many examples of good practice which exist around the world. For example, adoption of materials reuse techniques from the Netherlands could achieve reductions of up to 30% (source: FoE).

Policies

The Transition

IN401 A shift to green industrial activity will not happen overnight. There will be a transition during which the costs to industry of our common resources will rise relative to the costs of direct labour. This will encourage environmental and infrastructural improvements which are commonly labour intensive. This in turn will bring useful work, in areas such as energy conservation, to all regions including those which are being neglected.

Local Initiatives - Short-Term Action

IN501 Each region has a unique industrial history and ecological profile. Local government in partnership with local communities and businesses, should use this profile to draw up

Local Development Plans. These would identify viable local industrial activity. For example, the UK's huge resource of un-worked coppice woodland could supply the 57,000 tonnes of charcoal which is imported each year. Other viable local activities include light engineering; textiles; food production; repair, reuse and recycling.

IN502 Local Government already influences local industrial activity using the current planning process. Strengthening this could encourage sound ecological design principles. Local Government must be given access to the environmental training it needs to provide a Comprehensive Ecological Planning System.

IN503 Small businesses which operate sustainably are well suited to providing for local needs. Business and environmental training is needed to reduce their high failure rate and to help them grow sustainably. Government must provide and publicise affordable training. The cash flow of small businesses would be improved by legislation that required invoices to be paid within 30 days.

Local Initiatives - Long-Term Action

IN504 Small businesses in the UK find it difficult to get timely access to external funds and affordable interest rates. Community Banks are needed which have funds available for local activities. (see [EC512](#))

IN505 Community Banks would give local firms and co-operatives access to funds managed locally and supplied at preferential rates. This would favour activities identified by the Local Government Local Development Plan. The allocation of funds

would make use of environmental impact analysis but be simple enough to be understandable.

IN506 A pilot Community Bank scheme (in a region with high unemployment) combined with regulatory changes to divert borrowing from conventional banking methods (see [EC668](#)) would allow Community Banking to develop.

National Initiatives - Short-Term Action

Taxation

IN601 The Green Party supports green taxes which would reduce resource use, limit pollution and discourage wasteful economic growth whilst promoting equality, decentralisation and creative patterns of work (see [EC780s](#)). These green taxes would allow the full environmental costs to be reflected in the prices of goods.

IN602 New green taxes would be balanced by reductions in other taxes. In particular, the introduction and expansion of eco-taxes would be accompanied by a phased abolition of VAT (see [EC770-771](#)). This would increase the price of non-renewable resources and waste disposal, while the price of goods and services that do not use such resources would fall - therefore not stimulating overall inflation.

IN603 Current land rights encourage unsustainable industrial activity (see [LD203-6](#)). A Land Value Tax would redress this problem. (see [LD400-3](#) and [EC791-3](#))

Citizens' Income Scheme

IN605 Sustainable industrial activity tends to be more labour intensive. For example, if all beer packaging were returnable it would require the employment of

a further 4,000 people in the UK (source: FoE). The introduction of Citizens' Income would reduce the cost of labour to industry without pushing people into poverty (see [EC730](#)). The Green Party supports a national minimum wage until a Citizens' Income scheme has been fully introduced.

Company Standards and Regulation

IN606 Company law should encourage greater accountability to the community. The annual accounts of companies with financial turnovers above an annually-revised limit should include an approved system of environmental audit. This would include a separate ecological balance sheet showing costs over the complete industrial cycle. It would include all externals such as the emission of pollutants. (see [EC513](#))

IN607 Market forces do not ensure that the health and safety of people inside and outside of places of work, or the environment outside, are sufficiently protected. Well planned regulations and standards which create high environmental standards can stimulate investment in green technologies and services at the same time as generating cost savings.

IN608 Tighter regulation is needed to increase waste recovery. For example, regulation has resulted in 88% of waste oil being recycled in the UK. Future targets include waste paper collection.

IN609 Regulation should be precautionary. Standards should be kept up to date to ensure that best available techniques are adopted. Government, in partnership with industry, should fund research into sustainable

industrial activity - such as materials reuse. The BS7750 environmental standard should be extended to cover outcomes as well as methods.

IN610 Pollution licences and the size of penalties should reflect environmental costs and be limited in time. Fines for persistent offenders should be in excess of the cost of cleaning up. (See [PL420-432](#))

Regional Aid

IN611 Current regional aid plans have failed because they originate at central Government and go out to the regions. Social benefits have not been spread equitably between regions in the UK. Emphasis should be shifted to improving the ability of regions to help themselves by providing technical and management support as well as preferential funding terms.

IN612 There are many schemes which would generate useful local employment and improve the self reliance of regions. These could be targeted to generate major environmental and infrastructure improvements in regions that need them most. High quality environmental and community work training which people opt to join rather than being coerced by threat of loss of benefits would achieve this while raising the number of local people with appropriate skills (at limited financial cost since it would simultaneously reduce the national cost of means tested benefits / allowances for the unemployed).

Training and Retraining

IN613 The Green Party would reintroduce the Community Programme as a statutory responsibility for all district councils and unitary authorities,

placing the primary duty of reducing unemployment upon local government. Community Programme full and part-time posts would be paid at an agreed national minimum wage rate, per hour. Supervisory staff would be paid higher rates. Community Programme jobs and projects would be long-term. Availability of posts in the Programme would be allowed to decline by natural wastage if unemployment was declining in the local economy, or expand according to local needs.

IN614 Training is consistently important in the encouragement of sustainable industry, for example, in helping small business and local government. Yet training levels are far lower in the UK than in other industrialised countries.

IN615 The development of a sustainable industrial base requires the development of a workforce possessing both core skills that are transferable to new situations and the capacity for problem solving and creative thought. Effective training in a green society will therefore be inextricably linked with general education for personal development. Local government, employers, and local Community Colleges share the responsibility for ensuring opportunities for education and training are provided as required throughout an individual's life. Where appropriate, this will include opportunities for workplace based training where those experienced in a particular skill have a role in developing the skills of those seeking training.

IN616 The UK needs a comprehensive and fully resourced national environmental training programme. This should include environmental impact analysis; resource reduction; waste minimisation; life cycle

analysis; design for disassembly; and true cost accounting. Details of current best environmental practice and investigation of potential industrial crossovers are also important.

Worker Participation and Co-operation

(see also [Workers Rights](#) chapter)

IN617 Worker participation improves the industrial process, increases personal satisfaction and gives the community a bigger stake. Workers' Councils should be set up along the lines of the successful German model. The benefits of these systems should be publicised to small business. Full union rights must be respected at all levels of the firm. (see [WR600-618](#))

IN618 Workers' co-operatives encourage a lack of distinction between the employer and employee. This leads to a greater commitment to the enterprise and to natural and democratic working relationships. Land Value Tax (see [IN603](#)) and Community Banking (see [IN505](#)) will create a climate in which co-operatives can thrive. (see [WR633](#) to [WR639](#))

IN619 Current trends such as part-time working and subcontracting are eroding employment rights and adversely affecting the most disadvantaged in society. Short-term contracts shall not be used as a way of avoiding statutory rights (see [WR332](#)). Low quality jobs at any cost are not acceptable.

IN620 Share issue schemes literally give employees a stake in the business in which they work (see [WR643](#)). Tax exemption can encourage employees to keep their shares for a number of years. A percentage of annual company profits of all UK based operations

should be required by law to be set aside for investment in ways to be decided by the UK employees through their trade union, Workers Council or other mechanism as decided by the workforce. This investment might take the form of training and education, welfare benefits, leisure facilities, discounted public transport passes, for workers and their families or other investment needed to secure the long term future sustainable development of the company, e.g. developing a more environmentally product or service.

Target Industries

IN621 Different industries have different economic, social and environmental impacts. A list of Target Industries would allow government to identify those industries which are sustainable. Social and environmental needs could be met by using this list to target action and by giving special attention to those regions in most need. For example, effective energy conservation measures would provide householders with lower fuel bills whilst also reducing pollution and the threat of climate change.

IN622 Targeted action would increase regional self-sufficiency by reducing unnecessary imports. For example, when the Government ignored the advice of the HM Inspectorate of Pollution to fund clean coal technologies it became necessary to import low sulphur coal. The AEEU trade union noted the social costs of job losses in the coal industry, a damaging effect on our balance of payments and lost opportunities in manufacturing new equipment. Regions in the UK lost the opportunity to meet a greater part of their own needs.

IN623 Industries that need targeting include pollution control (see [Pollution](#)); transport (see [Transport](#)); energy conservation and generation (see [Energy](#)); agriculture (see [Agriculture](#)); and materials reuse (see [Natural Resources](#)). Some industries are important but must be radically altered, for example, the defence and chemical industries (see [PD312-PD313](#)). Other industries can never be sustainable and must be phased out, for example, the nuclear industry (see [EN600](#)). Reduction of employment in declining or undesirable industries must be managed in a socially responsible manner.

IN624 Targeted action plans should range from 5 to 30 years. Target Industries need training, management support and favourable financing terms. Skills from different industries could be used to promote effective retraining. For example, the UK could use its unique rough sea engineering skills from the oil industry to develop off-shore wind power technologies. All support must be strictly time-limited and be phased out over time. The aim is to protect industries in the early stages when they are most vulnerable.

IN625 Much new industrial activity is taken up by smaller firms. Many of the Target Industries would therefore encourage small and medium sized firms. (see [IN503](#))

IN626 National monopoly and merger policies should be directed towards greater national self-reliance, according to the needs and capacities of individual countries.

Transport

IN627 Prosperous self-reliant regions need well planned regional transport systems to

move raw materials, people and products. Transport policy must make a minimum impact on the environment (see [TR010](#)) and must reverse the current prioritisation of road building (see [TR030](#)).

National Initiatives - Long-Term Action

IN628 Retraining and preferential financial terms are needed to help firms to adopt current best practices. This will protect the environment and often reduce production costs as well. For example, in 1987 an ammonia spill in the river Eden cost a dairy £137,000 in fines and fish restocking. A £100,000 recycling scheme was instigated to stop future pollution incidents. This also generated annual savings of £175,000.

IN629 Unsustainable industries should, in the longer-term, be discouraged by using green taxes (see [IN601](#)), enhanced regulations and standards (see [IN606](#)) and ecolabelling (see [IN706](#)).

IN630 Exclusion for smaller firms from the environmental requirements of their annual reports should be removed through the gradual reduction of the limit used to exclude them (see [IN606](#)). Annual reports should be extended to reveal full ownership details. Environmental Impact Analysis should be included to ensure there are no hidden costs. Annual auditing should be carried out by an independent company and cover the full global activities of the firm.

IN631 Some industries provide for basic human needs and are so crucial to the well-being of society that the community must hold a stake in them. Industries which must be returned to public ownership include the NHS, the

water industry (see [NR428](#)), the railways (see [TR230](#)), and the gas and electricity supply industries (with the exception of small-scale renewable energy initiatives).

IN632 Every region needs to measure how successful it is. Current national indicators measure this solely in terms of profitability. Gross national product (GNP) fails to account for important priorities such as pollution minimisation or quality of life. National and local sustainability indicators give a more realistic picture and should be adopted (see [EC311](#)).

Global and European Initiatives - Short-Term Action

IN701 Many environmental problems are so huge that they require global research and action. All current global environmental treaties and standards must be enforced. Further work is needed. In particular, clear limits to industrial emissions must be set and kept up-to-date on a pollutant by pollutant basis.

IN702 The UN World Charter for Nature is a comprehensive list of obligations on resource usage and regulates monitoring of ecosystems. This charter must be enforced if the pollution carrying capacity of the earth is not to be exceeded. (see [IN203](#))

IN703 Both the free market and central planning have a bad track record. The EU has combined many of the worst features of these outdated forms of economic regulation. The EU should become a Confederation of Regions (see [EU302](#)) providing a framework for local and regional sustainable economic activity.

IN705 Numerous treaties designed for eco-crisis management have failed to bring far reaching improvements. The

problem is not one of understanding but of enforcement. This role needs to be carried out at the national level (see [PL410](#)) and aided by a new Euro Environmental Agency (EEA). As well as enforcement, the EEA should aim to provide well researched information and to establish standards. It must be well resourced to ensure that standards can be enforced. Funds should be diverted from the CAP.

IN706 Ecolabelling for all products would provide a mechanism for indicating the quality of a product. Progressive national tax and financial systems will only be effective if environmental criteria can be applied easily. Ecolabelling would also encourage companies to provide real product information rather than generating artificial demand for unnecessary products.

IN707 Environmental dumping should be discouraged by allowing legal action in any country against activities carried out elsewhere. The governing law in the country where the action is brought would apply.

IN708 Modern research and development is costly in both funds and resources. Joint R&D activity can be more efficient and less wasteful. Where public funds are involved it is important that the resulting intellectual property rights are publicly owned. Current patenting practices should be revised to increase public access and to enable poorer countries and individuals to retain control over their own resources, ideas and inventions.

Trans-national Corporations (TNCs - see [IP400](#) to [IP431](#))

IN709 The UN Commission on Trans-national Corporations published a voluntary Code of Conduct as long ago as 1977.

This dealt with important issues such as disclosure of information; protecting the credit policies of countries; tax payments including transfer prices; autonomy for different corporate areas; consumer and environmental protection; and employment rights.

IN710 In Europe, the high technology and financial sectors are forming mergers and co-operative agreements in a drive to compete with the Pacific rim and the US. At the same time, the collapse of the old Soviet bloc has led to an expansion of western firms in Eastern Europe. The UN Code of Conduct must therefore be made legally binding.

IN711 Where public funds are supplied there must be strict compliance with the UN Code. Full environmental impact audits must be carried out. Governments must not allow arbitrary relocation threats to induce tax concessions. Environmental standards of all subsidiaries must be the same as those of the registered head office.

IN712 Worker Participation laws in the UK and EU must be respected. These must also be observed in all subsidiaries. Social funds aimed at supporting this should be set up and funded in partnership with government.

IN713 The lack of openness of TNC policies, structure and ownership must be addressed. Public access to shareholding details is required regardless of the number of shares held. The identity of the board members should be public knowledge. Stock Exchange prospectus requirements should be extended to provide more key information.

IN714 The annual reporting practices of the private sector should be further extended for TNCs and be carried out by an

independent company. Reserve stock levels should be detailed in order to reduce transfer pricing. Annual reports should be subdivided by subsidiaries and affiliates. Social policies should be made public by including the differentials in income, qualifications, training, working hours and conditions. All banking transactions (including foreign exchange) should be separated from production activities by the setting up of organisationally separate financial institutions which have to be accountable to the public.

IN715 The EU needs a strong Monopoly Commission which can control large scale inner EU mergers. It must have clear rights to corporate information. The tendency to grant exceptions to anti-trust legislation for banks and export cartels must stop. It is important that mergers in the EU do not allow any country to degenerate into a satellite economy. Consideration should therefore be given to setting quotas for national shares in markets.

IN716 These policies place new restrictions on TNCs. If they wish to make profits in the EU then TNCs need to invest those profits in the EU. In particular, TNCs must site here to sell here.

Global and European Initiatives - Long-Term Action

IN717 Ecolabelling should be extended to enforce minimum quality standards. Product quotas should be used to deter poor quality imports. In extreme cases products should be completely banned. This would apply where resources are near exhaustion, where environmental damage is unsustainable, or where countries persistently abuse human rights.

Examples include CFCs and partially halogenated CFCs; tropical woods; protected animals; nuclear technology; and food products from famine areas.

IN718 Some industrial activity is better carried out on the international scale. A small number of joint ventures would be beneficial. Possible collaborations include telecommunications, civil aircraft and military applications.

Trans-national Corporations (TNCs)

IN719 The UN Code of Conduct should be enforced in the global market place. Further work is needed by the UN on areas such as where national law should supersede international law in investment disputes.

IN720 TNC policies adopted at the EU or national level should be extended to global institutions.

Industry chapter last updated Spring 2005
