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BRIEFING NOTE

Sustainable Surrey:
**The Use of a Hybrid
Growth Model**

SUSTAINABLE SURREY: THE USE OF A HYBRID GROWTH MODEL

Bio

James Penny has recently graduated from the University of Surrey and is due to commence a postgraduate programme in Theory and History of International Relations at the London School of Economics and Political Science. James has been a Research Associate with the Centre for Britain and Europe since June 2020 and has keen interest in foreign affairs, international development and sustainability.

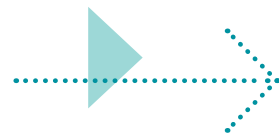


CONTEXT

COVID-19 has adversely reshaped the way we operate as individuals and communities, having to change our economic, social, and political activity to fit within a 'new normal' caused by national and local lockdowns. However, the response and recovery to the pandemic have produced several opportunities to embed long-term sustainable growth and practice locally, nationally, and internationally. This briefing note is about capturing the greener economy within the context of Covid and understanding how we must rethink and reboot our thinking and understanding of the economy. The pandemic has had a transformative impact and we are no longer able to go back to business as usual

and we must accelerate the solutions we wish to see to create a sustainable and greener economy.

The recent Intergovernmental Panel on Climate Change Report 2021, determined that 'Climate Change is widespread, rapid and intensifying' and that the 1.5C temperature limit that was affirmed in the previous 2018 report from the IPCC is in danger of being reached earlier than first thought. The implications of these findings require immediate and drastic climate action towards the climate transition of the economy and most importantly the net-zero goal.



The Dasgupta Review (2021) is an independent, global review on the Economics of Biodiversity led by Professor Sir Partha Dasgupta. The report helps ground sustainability within economic development and how we measure and act on economic success, whilst protecting and enhancing our natural environment. The key tenet of the report is the emphasis that the natural environment is a key national economic asset, pointing towards economic models that suggest a balanced relationship between urban and nature, avoiding a natural asset management problem that is caused by human degradation of the biosphere. On growth, the report concludes that traditional models of growth and development have been built on the infinite exploitation of natural capital.

The prolonged crisis of the Covid-19 pandemic has additionally exacerbated the climate crisis, with both crises requiring increased attention by local, national and global actors. It is critical that future recovery from Covid must be considered within the context of climate transition in mind as we attempt to reach the national net-zero carbon target. The barrier to this is to increase our understanding of how we maximise the impact of recovery policies within the context of 'building back greener'. Here in Surrey, and at a local level, it is vital to focus on how we achieve local sustainable growth within the perspective of the county's future economy and its connection with national and international ecological and economic trends.

Growth and Resilience

Covid-19 recovery has also flagged up the issue of growth, and in particular 'good growth'. Current debates that view GDP-based growth vie with those arguing for sustainable growth, based on the importance of net-zero targets, national climate change targets, as well as the UN's own sustainable development goals (SDGs). The pandemic has also forced both the private and public sectors to centralise sustainability within their operations to support recovery and resilience. Resilience in its own right has been increasingly used in the context of recovering from Covid-19, reflecting the need to adjust to and address future challenges. This has also been coupled with 'sustainability' as a means to focus minds on the challenges of climate change. OECD suggests that global environmental emergencies such as climate change and loss of biodiversity could cause social and economic damages far larger than those caused by Covid-19 (2020). It is important that we understand what we mean by resilience and whether this is compatible with the traditional macroeconomic meaning of 'growth' or whether to be truly resilient we must rethink our definition of economic success. When considering sustainable development, the capitalist nature of 'growth' can be viewed as exploitative towards our natural capital and biodiversity. The economic system that we have come to be the norm has noticeable drawbacks, including basing our success on economic growth at the expense of our biosphere.



OPPORTUNITIES AND CHALLENGES



In the context of Surrey, tackling climate change calls for ambitious and integrated local development within local policy leverages and energising a whole place. Local governments and authorities have the potential to direct investments and resources in 'greening' current industries and sectors within the local

economy. It is important not to ignore the vital role that communities and the third sector can play in achieving climate goals and transition. Alongside policymaking, it is vitally important to promote culture and societal climate action among Surrey residents to fully engage all aspects of a local economy around a climate agenda.

This includes embracing the power of communities to ignite change and action among residents and supporting the work towards a common net-zero goal.

Surrey now has a unique opportunity within the climate transition as a local economy that has an abundance of natural capital and rich local biodiversity. Engaging with its natural environment in a sustainable way can improve Surrey's communities' green credentials further, bringing localism and sustainable development together as one. Under Surrey's current Climate Change Strategy (2020), Surrey County Council commits to ambitious climate proposals and provides Surrey with "clean, safe and green communities" and works towards national net-zero carbon emissions targets. Furthermore, the report sets out a joined-up framework alongside strategic partners and stakeholders, taking into account a wide range of themes that include transport, waste and land use. In terms of 'growth', the strategy largely endorses the principle of 'good growth', which can be referred to as 'green growth' that is environmentally sound and socially equitable and inclusive. It goes on to suggest that you are able to "decouple" emissions with economic growth, this is contrary to ideas of post-growth and degrowth and fits within the 'green growth' agenda. The University of Surrey's own research in 2021 has highlighted the need for growth to be increasingly "place-based", around the communities that people live within, driven by a commitment to a sustainable way of living whilst ensuring that GVA remains as a metric of growth to achieve economic prosperity (University of Surrey, 2021).

Green/Clean Growth- Policy Insights

'Green growth' has seen an exponential use and reference in public policy debate to achieving national and international climate aims. The OECD (2021) defines it as "fostering economic growth and ensuring that natural assets continue to provide resources and environmental services which our well-being relies upon". This term has been adopted by many to propose specific policy suggestions that have far-reaching effects. An example of such a policy is the 'Green New Deal' that has found significant traction within US political discourse. The policy is similar to that of the New Deal of the United States that tackled the Great Depression, with the purpose of overhauling

the economic, social and ecological system towards a more sustainable future (Sundaram, 2013).

The term has become a flexible concept that has been manipulated to mean different things. At a local level, green growth can be viewed as a pragmatic sustainable policy option within the current economic system. The COP26 Universities Network briefing suggests that sustainable recovery policies can spur growth during an economic downturn, in comparison to traditional fiscal stimulus (2020). A sustainable economic stimulus would provide significant short-term investment into a local economy and drive innovation in green technologies and practices. Although this 'green' stimulus would likely have long term benefits, it is important to support this with a long-term strategy that achieves an effective green economy. A long-term plan could involve adopting an approach to growth that can include aspects of post growth.

Good Growth

'Good growth' has come to encompass inclusive and sustainable growth and is often associated with the agenda of local 'green' growth. The Good Growth for Cities report (2021) looks beyond GDP as a measurement for local economic success and covers a broad array of measures including wellbeing and environment. The index has gained growing recognition as a solid framework for local place-based growth, especially considering the recovery from the coronavirus pandemic. There is a consideration within this model that takes into account public wellbeing and community needs. This is similar to the post-growth vision that is informed by abundance, wellbeing, community and sustainability. Informing local economic development through community engagement and consultation could become the norm in policymaking for local government. For example, Surrey County Council has engaged with this type of community involvement within the council's climate and green strategy by operating online public consultations for residents. These consultations have included specific community-oriented plans but also wider county climate strategies.

Surrey has a dynamic labour market and skilled workforce that contributes to its comparative economic success as a key driver of growth (University of Surrey

2020). Significant challenges to 'labour' in the county have been associated with the decline of the workplace, automation of jobs and an exacerbated skills gap (University of Surrey, 2021). Productivity and labour are key tenets when considering economic growth in a local economy and it is important to highlight the human aspect of this input. Different perspectives of growth can inform how in the future we approach labour, investing in skills and sustainable workspaces for Surrey's future economy. Research by the University of Surrey (2020; 2021) concluded that to achieve inclusive economic success in the county it is valuable to invest in 'people'. This could be through upskilling or providing the workforce with flexible workspaces that fit within the 'new normal' that has appeared since the start of the coronavirus pandemic. Furthermore, it is the responsibility of the private sector to invest in the climate transition and this includes within the realm of labour and a sustainable workplace. This investment must come with a renewed focus on wellbeing and sustainable operation, prioritising investing back into the communities in which they operate. Upskilling vast swathes of Surrey's workforce can be tailored to benefit the climate transition and greening the local economy. A recent policy briefing by the Aldersgate Group (2020) noted that green apprenticeships and reskilling within sectors that adopt green technologies would maximise the effective delivery of a net-zero economy and the future success of a green economy.

Post-growth and Degrowth

There is an emerging call among academics, politicians, and scientists alike for a new ecological macroeconomic model that is based on the global approach to the concept of economic growth. Drawing upon the work of academics such as Tim Jackson and Kate Raworth who intensely reject 'economic growth' due to its exploitative effects on the global environment and promotion of unsustainable practices. Tim Jackson's landmark text *Prosperity Without Growth* (2009) argued that 'prosperity' transcends any material concerns calling for a different macroeconomic model that effectively contributes to people's well-being. This approach has been named 'post-growth' which represents an economic model that is a solution to the limits-to-growth dilemma.

Rejection of a solely economic-based measurement to determine is not a new discussion; Robert F. Kennedy was a notable proponent of a different way to measure a nation's success and argued the constraints of GDP and traditional macroeconomic indicators on his Presidential campaign in 1968. Economist Kate Raworth has developed a doughnut model of ecology that demonstrates a balance between shortfalls and overshoot between the social foundation and ecological ceiling and the pursuit of human well-being (2017). These approaches tend to take a 'whole' approach and collate environmental justice alongside that of humanitarian justice and intersectionality in our economy. These pathways to a new economic model, also call for an overhaul of other traditional economic assumptions and concepts. For example, Tim Jackson (2021) calls for an 'urgent' recalibration of the idea of work and labour, instead of looking at how to invest in people within communities.

'Degrowth' is the concept that there is a steady-state economy and rather than seeking further growth, to maintain the size of the existing economy (Kallis et al., 2020). Similar to the idea of post growth, it has been dubbed as an alternative to the current 'capitalist' economic system and a solution to our obsession with traditional measures of 'growth'. Both are based on the constant pursuit of material excess and the failure of consumerism is protecting the environment and natural capital. Although this may be the solution to the climate disaster that we are facing, it does require an economic overhaul that has far-reaching consequences for human activity. Organising the economy around 'post' and 'degrowth' would first assist with reducing carbon-intensive practices, but also making the future far more resilient. This has gained significant traction recently due to the context of the economic and social recovery from Covid-19, making us approach economic concepts of labour, development, and growth differently. Embracing the necessity of change and finding the opportunity of a crisis to produce a more sustainable outcome. For example, how we consider 'labour' after the transformational effects that covid has had on the practice of working, society approaches labour and the workforce with a differing interpretation. These effects include the change in 'work-life' balance, largely due to the need for many to work from home.

RECOMMENDATIONS

Innovative thinking is needed across all stakeholders when considering local economic development and how to achieve sustainable goals. An innovative approach is required when considering 'growth' and what we mean and want from it. Introducing the terms 'Green', 'Post' and 'De' growth is part of collating around a new way of thinking that achieves well-being for the public and protects natural capital from unprecedented exploitation due to economic growth. Such a bold transition from traditional ideas of 'growth' will likely unnerve many, but if we must take climate change seriously, then bold, ambitious, and urgent action is needed. However, it may not be as simple to rid of traditional measurements of economic success overnight and adopt a system of bounded growth and sustainable economic practice. This is also not a new phenomenon in the county, in recent years Surrey County Council have set targets and goals that have been based on residents' wellbeing and 'place'. The use of the term 'Place-based growth' as a strategy adopts an array of principles that move away from traditional macroeconomic practices, considering communities wants and needs.

Another aspect to consider is the role that environmental regulation has in forming a green economy. A study commissioned by the Aldersgate group found that there was clear support among the private sector for "clear and ambitious environmental regulation that supports the economic recovery whilst driving the UK's effort to achieve net-zero" (Buro Happold, 2021). At a local level, this could include regulations on land use and requiring stakeholders to adopt practices that don't require exploitation of natural capital and enhance our local green environment. Surrey, which has a chronic housing shortage, must significantly increase its housing stock to meet demand. However, any new housing development must not just be sustainable, but also add to the natural capital of the environment and promote clean environmental practices. Such regulations play a key role in driving innovative practices among both private and public

sector organisations, under the condition that policy and enforcement are clear and consistent.

Finally, it is important to address the important role that culture plays in achieving a green economy in the county of Surrey. Effective climate action requires the popular support of the public, lack of such support would act as a significant obstacle to achieving climate goals. Thus, we must consult communities and introduce a narrative that is effective in garnering support for certain place-based green policies. This is where you find that the Third sector has an extremely important role in sustainable development, in which it has a wealth of experience in community engagement. Multi-stakeholder engagement on climate change is critical to introducing a new narrative around 'greening' the Surrey economy and promoting individuals' sustainable practices.

Although radical solutions are warranted to tackle the climate emergency and to achieve net-zero targets, it is important that solutions remain practical and deliverable. To achieve effective change this briefing note proposes a hybrid model of growth for the county of Surrey that takes into account key components of the 'Growth' agendas that have been aforementioned in this document. Forming a multifaceted model that considers low carbon, natural capital and social capital factors would provide a stable sustainable framework for 'greening' the Surrey economy. Fostering these factors as well as significantly moving away from traditional macroeconomic measures of 'growth' and towards more sustainable measures such as wellbeing and inclusivity. In conclusion, the coronavirus pandemic has taught us that we must think and act innovatively when facing adverse challenges and in moments of crisis. The global, national and local community is facing a climate crisis that has been caused by centuries of human exploitation and to address it we must reverse our path and look to a new economic model that is sustainable for generations to come.

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CENTRE FOR BRITAIN AND EUROPE (CBE)

Department of Politics
University of Surrey
Guildford,
GU2 7XH, UK
Tel: 01483 689740

E: cbe@surrey.ac.uk

W: surrey.ac.uk/cbe

