



Toward a Sustainable Economy

Shifting global momentum

While the idea of sustainable development has been around for about 30 years, it has only recently started to affect societies, politics and economies around the world. Policies, markets, new technologies and consumer preferences have shifted how our economies function. We also see greater need to reduce the environmental harm of economic activities, and new social and environmental priorities are affecting investments in infrastructure and business revenues. Our situation in Canada—and the Basin—is unique. For example, our wealth of natural resources enables us to be leaders in this new responsible economy; at the same time, it's risky for regions to rely on specific industries.

Note: This short research brief was informed by reports prepared for Columbia Basin Trust by [Stratos Inc.](#) This information is free to use in a way that is consistent with the intent of the original papers.

Understanding global trends

MOVING TO A LOW-CARBON ECONOMY

In the face of overwhelming evidence about climate change and the mounting pressure to address related challenges, the world is reaching a turning point. To meet public expectations and adhere to international agreements, nations are increasingly transitioning to a low-carbon future. The Canadian federal government developed the Pan-Canadian Framework on Clean Growth and Climate Change; this sets out a vision for how the country will meet its emissions reduction targets and build resilience to a changing climate while remaining competitive and growing economically in the global low-carbon economyⁱ.

What the research tells us

- ↳ The Paris Climate Agreement—signed by 197 countries in 2016—had been formally adopted by 185 countries as of January 2019ⁱⁱ.
- ↳ In Canada, demand for low-carbon technologies is expected to double through 2030, with the opportunity for investments in clean technology reaching \$184 billionⁱⁱⁱ.
- ↳ In 2018, the BC government and the Business Council of BC agreed to develop a strategy for industry that will make the province a leader in the low-carbon economy^{iv}.

SHIFTING TO A CIRCULAR ECONOMY

Around the world, people have been consuming far too much far too rapidly and now know we need to reduce how much we consume and waste. In 2017, the global amount of materials consumed (such as metals, energy and wood products) reached 83.6 billion metric tons, a 254 per cent increase from 1970. At 28.7 metric tons, the amount of material each Canadian consumes is greater than that of Americans (18.6 metric tons per person)^v. One of the United Nations' Sustainable Development Goals—17 global calls to action adopted by member states in 2015—focuses on sustainable patterns of consumption and production^{vi}. Businesses are now moving away from a “take, make, use, dispose” approach and becoming more “circular,” meaning they deliberately seek to reduce waste and repurpose materials^{vii}. A number of European and

Asian countries have already adopted circular-economy strategies. A Canadian example is the federal government's goal of zero plastic waste^{viii}.

What the research tells us

- ↳ In countries that are members of the Organisation for Economic Co-operation and Development, there is a trend toward “higher material productivity,” which is how effectively an economy uses materials to generate economic value^{ix}.
- ↳ In 2019, the Canadian government committed to banning single-use plastics by 2021 and implement a strategy of zero plastic waste^x.
- ↳ Launched in 2019, Project Zero aims to achieve a circular economy on Vancouver Island^{xi} and have the island existing as a “thriving” circular economy by 2040^{xii}.

EXPECTING RESPONSIBLE SOURCING

To source responsibly, a business must consider the ethical, environmental and social impacts of the goods and services it uses in its supply chain: for example, a clothing company chooses fair trade cotton and only manufactures in ethical factories. While largely voluntary, this practice has become an important part of doing business, and leading organizations around the world are making it part of their standards and policies^{xiii}. Also, consumers are “voting with their wallets”: using their actions to show their preferences for more sustainable products. A 2019 study by New York University's Center for Sustainable Business found that 50 per cent of sales growth of consumer goods between 2013 and 2018 came from sustainability-marketed products (for example, Fair Trade or Rainforest Alliance), even though these goods accounted for under 17 per cent of the market^{xiv}.

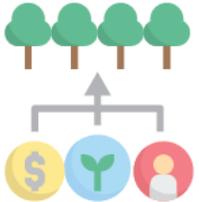
What the research tells us

- ↳ Globally, the percentage of consumers willing to pay a premium for sustainable products and services increased from 45 to 55 per cent between 2011 and 2014^{xv}.
- ↳ A majority of Canadians try to buy local or Canadian-made products and are increasingly willing to pay a premium for them^{xvi}.

What could this mean for the Basin?

In many ways, the Basin's economy greatly contributes to the whole province's prosperity by producing energy, having rich natural resources and attracting tourists. It's perhaps not surprising, then, that in a 2016 study by the Columbia Basin Rural Development Institute, the majority of people who live in the Basin said they're generally happy with their financial security and were optimistic about the future of the region's economy^{xvii}. Although it's well placed in many ways to deal with future shocks, the Basin will still need to adjust to recent shifts in global markets, national and provincial policies and local expectations of how its economy should perform.

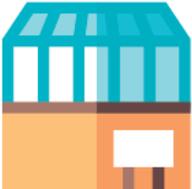
Here are some of the impacts the Basin may experience in coming years:

 <p>New expectations for a circular economy alter the demand for regional services and infrastructure like recycling and transit.</p>	 <p>Real momentum toward climate action requires shifts in how businesses and people behave.</p>	 <p>People are changing their buying behaviours and looking beyond price.</p>	 <p>Changes to global and national economies also strain local economies and select industries.</p>
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There are wonderful signs that the world is on a path toward a more sustainable future. Still, as with any major transition, short-term, local impacts can pose challenges to communities, individuals and businesses. Easing the effects of these impacts and fully taking advantage of the move toward a more sustainable economy will require continued planning, support and leadership.

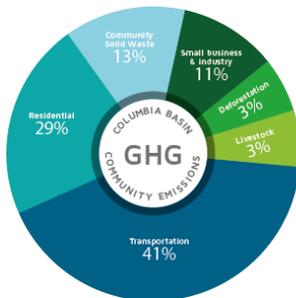
How can the potential impacts be addressed?

There are many ways people and organizations in the Basin can adapt to situations like those mentioned above. Here are a few ideas.

 <p>Help Basin communities, businesses and individuals reduce their carbon emissions.</p>	 <p>Help communities and workers that may be impacted by global transitions.</p>	 <p>Support local businesses that lead in responsible sourcing and business practices.</p>	 <p>Identify ways to take advantage of changing consumer preferences, including the desire to buy local.</p>
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PREPARING FOR SYSTEM-WIDE CHANGE

In the Basin, 42 per cent of the greenhouse gas (GHG) emissions come from community-based sources. (Details provided in the chart below.) The remainder comes from large industrial sources like smelting, pulp and paper, and mining^{xviii}.



The Basin's estimated community-based GHG emissions in 2012.

Source:
<https://ourtrust.org/grants-and-programs-directory/climate-action-program/climate-action-in-the-columbia-basin/>

To move toward a low-carbon economy, governments, communities and industries will all have to contribute. They must act together to encourage changes like using low-carbon transportation, improving efficiency in buildings that use fossil fuels for heating and cooling, and diverting organics from landfills to composts. Many of these initiatives are already under way. Here are some examples:

- ↳ A partnership between BC Hydro and the Regional District of East Kootenay is helping builders, residents and realtors better conserve and manage energy consumption^{xix}.
- ↳ Accelerate Kootenays has developed an electric vehicle network of 53 charging stations, creating over 1,870 kilometres of connected travel across the Basin.
- ↳ Columbia Basin Trust's Energy Retrofit Program and Energy Sustainability Grants have supported upgrades to over 935 affordable housing units and 16 community-purpose buildings across the Basin^{xx}.

INNOVATION IN BUSINESSES AND OTHER SECTORS

The Basin's economy is primarily supported by resource development, services and tourism. Given that the majority of the Basin's GHG production comes from major industries, shifting toward a low-carbon and resource-efficient economy will be essential to decreasing the region's contribution to climate change. These shifts can help ensure the longevity and health of existing sectors while creating new opportunities for businesses^{xxi}.

Efforts to support innovation are already under way in the Basin. For example, Metal Tech Alley—a collection of over 80 high-tech companies—is exploring local growth opportunities within recycling and the circular economy (which works to keep resources in use for as long as possible)^{xxii}.

The federal and provincial governments are also looking to the future. For example, the Province's three-year forestry research priorities focus on creating a more sustainable forestry industry^{xxiii}.

FAIR AND JUST TRANSITIONS

As local economies transition toward using resources better and lowering their carbon footprints, there is a growing need to plan for and aid these transitions.

Major economic shifts—including toward the goal of environmental protection—can be disruptive on existing workforces and industries. As the economy changes, there is a need to consider the impacts on communities and workers, as changes create new job opportunities while displacing others. This goes beyond the retraining programs of the past. For example, in 2019 a Government of Canada task force developed a number of recommendations to help workers and communities adjust to the impacts as coal-fired electricity is phased out across the country^{xxiv}. These includes providing local support, social safety nets, funding to help people move, healthcare support and investments in community infrastructure.

CONSUMER EXPECTATIONS

Basin industries—including mining, forestry and technology—are increasingly expected to manage their supply chains responsibly and assure consumers about their environmental and social impacts. To continue to prosper, industries will have to be aware of, willing to lead on and ready to adapt to ever-increasing standards.

These shifts are not limited to large industries and companies. There will also be opportunities for small enterprises, makers and retailers to take advantage of new consumer preferences for local, responsible products and services.

Linkages

RELATED TREND PAPERS

- The environment
- Health and wellness
- Lives and communities
- A globalized world
- New technology



Trends in sustainable economies **influence**:

Demand for jobs and skills

A shift toward a low-carbon economy could lead to demand for different jobs and skills.

Health

Adopting a circular economy could lead to direct and indirect health benefits, such as savings in the health care sector as a result of reducing negative environmental impacts.



Trends in sustainable economies are **influenced by**:

Focusing on adaptation and resilience

Implementing policies that support climate adaptation measures, such as carbon pricing, could drive us closer to a low-carbon economy.

Increasing economic uncertainty

Global economic volatility, including geopolitical instability and trade tensions, may deter investment in the low-carbon and circular economies.



Trends in sustainable economies are **interconnected with**:

Ecosystems at risk

Recognizing the impacts of current economic practices on ecosystem services is pushing consumers to change their behaviours and governments to enact policies that drive the transition toward more sustainable practices, including low-carbon and circular economies.

Collective response

A collective response to climate change is needed to move toward a low-carbon economy and shift toward a circular economy; these global efforts have become topics for countries to rally around.

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- ⁱⁱ Encyclopedia Britannica. (2019). *Paris Agreement*. <https://www.britannica.com/topic/Paris-Agreement-2015>
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