

Sustainable Logistics is a Good Investment

Accenture's new Circular Advantage report suggests there is a 'trillion dollar plus prize' for those who can successfully apply circular models as a framework for growth and innovation in a circular economy. But just what is this Circular Economy that the policy wonks are engaged in feverish discussions about? 25 years ago the idea of sustainability was introduced onto the policy agenda, conceived through public funding, policies and plans ... but despite capturing the imagination for a time, as a concept it has failed to work – because many people, who lacked imagination, vision and the ability to think beyond the short term, saw sustainability as tree-hugging environmentalism in a different coat.

Sadly, the hope that the concept of sustainability brought as an ability to balance economics, social needs and the impact we as a species has on the environment, has been dashed on the rocks of ignorance. Something new is needed, and perhaps learning that money still does make the world go round, even in this post-modernist, post-bank crash age, the idea of a circular economy that cuts out waste, reduces material use and finds ways to re-manufacture, re-use and re-cycle is a way forward. But the policy will simply disappear unless some regulatory framework is put in place to let the system thrive.

A cynic might want to challenge the term 'circular economy' as a theoretical oozlum bird, quite literally going round and round in circles before disappearing into itself, but at the same time it makes perfect sense if we ignore the ridiculous handle it's been given, and pretend not to notice it's really just sustainability from the economic angle (which given the money obsession in modern society carries much more weight).

Members of CILT are practical people and are interested if all this debate makes any difference to how things are done and new business opportunities in the logistics and transport sector. The truth is that there will not be any change without new business opportunities. Business is what business does – and business does what it does to make some money. Adding value to the economy by reducing waste is not new. Companies like Mackie Transmissions have been quietly a part of this 'revolution' since 1977, building up a significant business contributing to the Scottish economy in the re-manufacture of automotive parts. In 1977 the terms 'sustainability' and 'low carbon' were more than a decade away from being recognised, but people did tend to walk more then.

So if there is an ability to harness the concept into remanufacturing / refurbishing (for example) the decommissioned oil rigs, then one or more entrepreneurs like John Mackie will do so. Unless there is direct, or perhaps better indirect, centralist intervention through regulatory mechanisms to 'force' the issue, the circular economy will not create any huge shift from what happens now. The Scottish Government, of course, has an excellent record on the promotion of a 'low carbon' society (though we hear less and less about low carbon nowadays as well !), actively promoting the use of alternative technologies such as electric vehicles, and, to quote the SCDI / Green Alliance report 'Circular Economy Scotland', "*Scotland needs a targeted, challenge-led innovation strategy run by institutions empowered to drive technically risky, but potential big win circular economy pilot projects*". The fact that 'circular economy' is also being promoted at the highest levels gives some hope that such a strategy will be derived as part of an approach to utilise increased devolved powers, allowing Scotland to develop its economy in its own unique way.

Perhaps the debate about the circular economy matters most as it might just generate some creativity. Encouraging creativity in all of our workplaces is not the stuff of fiction but of good management with incentives to innovate and evolve. Logistics will need to underpin any activity in the circular economy – so there are big opportunities to grow the logistics service sector to support

it with, for example, smart, efficient and effective co-ordination of supply-chains and the physical movement of goods, including the items to be remanufactured, refurbished or re-cycled to the recovered elements. Further, as electric vehicle and such things as driverless technology develop to a level that they can be used as part of the movement of heavy goods, the logistics sector can be transformed away from a significant user of resource (including carbon-based fuels) to an integral part of the brave new world.

Keith Evans, Chair, CILT Scotland

