



## **ENVIRONMENTAL INITIATIVES**

*Journal of the LSE Environmental  
Initiatives Network*

Aspects of

# **The Greenhouse Problem**

Volume 8: April 2004

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# Environmental Initiatives

## ***Journal of the LSE Environmental Initiatives Network***

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### ***From the Editor***

EIN is unusual amongst LSE societies in that so many of its members live outside the UK. The committee is anxious for members to participate in the network's activities as fully as possible and a first step has been to provide a more detailed Directory which should make it easier for members to make contact with each other. In addition to this, biographies of members will be published in the Journal outlining details of their interests, career and particular expertise. So, if you would like to contribute a piece about yourself do send this to Nat Holtham in the Alumni Office (N.Holtham@lse.ac.uk) We also hope to publish audiofiles of EIN lectures and seminars on the LSE website which should enable members to keep in touch with events which they haven't been able to attend.

There is one other development which might interest overseas members. Bill Abraham in the Alumni Office has established a Central Register of Mentors, a very important resource both for recent graduates and for older alumni seeking a change of career. This mentoring network is self-regulating and organised through the Alumni website. Anyone wishing to volunteer as a mentor, or seeking advice, can make an online application at [www.lse.ac/alumni/mentoring](http://www.lse.ac/alumni/mentoring). (For further information contact Bill Abraham at [b.abraham@lse.ac.uk](mailto:b.abraham@lse.ac.uk)).

We have had a busy year which began with a seminar entitled 'Airports-Is there a limit?'. This very successful event was organised by Vicky McColl-Grubb, the newest member of our committee who finished her Masters Degree at LSE last year. Michael Kendall organised the seminar on Sustainability and Taxation held on 16 March and between January and April we co-hosted ten evening seminars on Renewable Energy with Imperial College Environment Society.

Ricky Burdett, Director of the LSE Cities Programme will lecture on the future of London in the Hong Kong Theatre on 26 April and this event is strongly recommended. Ricky is an excellent speaker and his Department has a high reputation amongst architects and planners.

There is one other event which we particularly hope members will be able to attend. This is a reception for Margot Wallstrom, EU Commissioner for the Environment which EIN is hosting at 7.30pm on Tuesday 11 May. This is a free ticketed event details of which will be sent out in April.

**Henry Thoresby**

## ***Announcements***

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The fifth Annual General Meeting of the Network was held at LSE on Tuesday 1 July at 6pm. The following committee members, Florian Lennert and Merlin Matthews, who retired by rote, were duly re-elected and Victoria McColl (Now Victoria McColl-Grubb) was unanimously elected. The committee is now as follows:

Honorary President .....	David Kingsley
Chair .....	Henry Thoresby
Vice Chair .....	Michael Gill
Secretary .....	Michael Kendall
Treasurer .....	Valerie Cox
Overseas Relations.....	Florian Lennert
Alumni Liaison .....	Victoria McColl-Grubb
NGO's .....	Merlin Matthews
US Alumni .....	Ben Savill

Various matters were discussed including:

- 1 A proposal by Victoria that EIN should organise a seminar at which speakers would examine the environmental and social implications of the huge increase in air traffic forecast in a recent Government report. It was agreed that this was a highly topical issue and Victoria volunteered to 'set things in motion'.
- 2 John Martyn raised the question of dubious Government statistics and indicated that this might be relevant to any discussion of the relationship between atmospheric pollution and civil aviation. He thought that the interrelationship between Government statistics and environmental policy would itself be an interesting topic.
- 3 Henry suggested that the committee should again consider how best to arrange a social event for members. (This has now been resolved in that EIN has been asked to host a reception for the EU Commissioner for the Environment. The event will take place on 11 May 2004 and will provide an excellent opportunity for members to meet each other.)

- 4 Michael Kendall proposed an event focusing on sustainability and taxation and volunteered to recruit some speakers. He suggested that this would be a suitable fixture for late in the Spring term.
- 5 Ben told us that he would be moving to California in December and regretfully tendered his resignation from the committee. Ben has made a huge contribution to EIN over the past six years and we persuaded him to stay on as our representative in the US.
- 6 Henry said that it was important for us to develop links with the student body and that our experience in co-hosting two 'Sustainable Futures' Careers Fairs (2002 and 2003) showed how much we could do to help students in selecting and developing their careers. He hoped that as many members as possible would volunteer to act as mentors.

The meeting closed at 7.30pm.

Next AGM Thursday 1 July 2004.

The committee is keen for members to participate in the development of EIN in any way that they wish. If you are interested in taking a more active role in the network please contact Nat Holtham at the Alumni Office on 020 7955 6756 or by email at [N.Holtham@lse.ac.uk](mailto:N.Holtham@lse.ac.uk)

**Tickets for the reception to be held for EU Environment Commissioner Margot Wallstrom can be obtained from Nat Holtham. It would be helpful if you could contact him as soon as possible.**

# ***The EU Emissions Trading Scheme***

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By **Simon Thomas**, *Chairman Trucost Plc*

## **Practical Advice on Environmental Compliance**

The EU Emissions Trading Scheme, starting in January 2005, could have a positive or negative effect on UK business competitiveness, depending on the allocations set by the UK Government, which must be submitted to the EU by 31 March 2004. Designed to be the most economically efficient way of meeting Kyoto Protocol Commitments to reduce greenhouse gases, the Scheme will be mandatory for 12,500 industrial installations in the EU: electricity, oil refining, steel, cement, glass, minerals, pulp, paper and board sectors.

Each EU member State will produce a National Allocation Plan (NAP), which, subject to EU ratification will set emissions limits that companies must meet from January 2008 onwards. If they reduce emissions below their allocation, they can sell the surplus or keep it for future use, and if they exceed their allocation they must buy allowances from others in the Scheme to cover the difference or face heavy fines (E.40/tonne of CO<sup>2</sup> from 2005-2007, rising to E.100/tonne in 2008). Phase One of the Scheme (2005-2007) will cover CO<sup>2</sup> emissions and Phase Two (2008-2012) may cover other greenhouse gases as well.

Government will ostensibly be giving away allowances worth many millions of Euros, so each company has a powerful interest in securing the largest possible allocation. However, the windfall asset giveaway that many commentators suggested could occur for certain large CO<sup>2</sup> emitters is more a function of accounting rather than free money, because liabilities (emissions) will need to be expensed through the profit and loss account.

The only way that companies can generate cash from the Scheme is to reduce their CO<sup>2</sup> emissions below their allocations and sell the surplus allowances. Companies in UK, France and Germany, countries that are well on the way to reaching their Kyoto targets to reduce CO<sup>2</sup> emissions, could generate cash from the Scheme if emissions permits are allocated in a manner consistent with the Kyoto Protocol target.

However, a recent JP Morgan report (i) suggests there will be no windfall profit for the European utilities sector as a result of the Scheme. Indeed the UK Government has just announced its draft NAP (ii) for the Scheme, in which it commits to reduce CO<sup>2</sup> emissions by 20 per cent on 1990 levels by 2010. This is in addition to the 12.5 per cent reduction of greenhouse gas emissions for the period 2008-2012 required under Kyoto. The position has yet to be ratified by the EU, and UK companies may appeal on the basis that their competitive position may be worsened relative to competitors in other parts of Europe. The UK Government seeks responses from industry to the draft NAP in a consultation period that ends 12 March 2004.

Ultimately, the focus of emissions trading will shift from the initial allocation of allowances to the price of allocations in the traded market. Eventually this price will

be dictated by the marginal abatement cost, which is the additional cost that an operator incurs reducing CO<sup>2</sup> emissions by one unit. JP Morgan estimates (iii) that prices will rise from E.6 per tonne of CO<sup>2</sup> in 2006 to close to E.28 by 2010.

But does the Scheme cover all the main polluting sectors in the EU?

The Scheme does cover significant CO<sup>2</sup> polluting industries, principally electricity generation, oil refining, cement, pulp and paper, yet at present it fails to consider two of the largest and fastest growing CO<sup>2</sup> contributors – household and transportation. Aviation emissions are particularly damaging due to the increased impact of CO<sup>2</sup> emitted at altitude (estimated at 2.7 times) yet aviation emissions trading agreements are unlikely to succeed, given US objections and policy constraints resulting from the Chicago Convention and other bilateral agreements.

However, an EU-proposed aviation emission trading scheme for domestic aviation can be realistically envisaged, given the explicit support of the UK Government (with Presidency of the EU in 2005) and influential sections of the aviation industry (including BAA and BA). Aviation emissions in the EU represent the fastest growing source of CO<sup>2</sup>, forecast to contribute as much as 27 per cent of total EU emissions by 2030. It is unlikely that European legislators will allow their considerable achievements reducing CO<sup>2</sup> emissions to be undermined by a single sector.

In fact, all sectors will be individually affected by the EU Emissions Trading Scheme and electricity prices are likely to increase as a result, EU coal producers will face sharply declining indigenous markets as power generators continue to 'dash for gas'. Environmental regulations such as this are increasingly requiring companies to recognise the true costs of their operations.

(i) and (iii) JP Morgan Utilities Report: CO<sup>2</sup> emissions – no windfall expected for European Utilities. November 2003.

(ii) Draft UK National Allocation Plan for the EU Emissions Trading Scheme, DEFRA, 19 January 2004.

(Simon Thomas, a member of EIN, is Chairman of Trucost Plc – an environmental research organisation which was established in early 2000 and has 14 staff. The company provides environmental data on companies and sectors in financial terms. Trucost quantifies the environmental impacts of companies of any size, sector or geography providing independent, comparable data for companies, fund managers, analysts and government agencies. Trucost has the support of an International Advisory Panel of eleven leading academics in the fields of economics and the environment who assist in the ongoing development of its methodology: [www.trucost.com](http://www.trucost.com)).

## ***Focus on Renewables***

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By **Henry Thoresby**, *BSc Econ 1961, Barrister*

(During the first three months of 2004, EIN and the Environment Society at Imperial College collaborated in organising a series of 12 seminars at which academics, researchers and practitioners could examine and discuss the main forms of renewable energy objectively and in a neutral atmosphere.)

Almost every form of renewable energy presents problems and large quantities of newsprint have been devoted to spreading propaganda and confusion about their relative merits. It has become increasingly difficult to get at the truth when politics, emotion and business interests obfuscate the issues and it is for this reason that EIN joined up with the Environment Society at Imperial College to run a series of seminars devoted to renewable energy. The seminars have been well attended and presenters enjoyed the opportunity to answer questions from a well-informed and enthusiastic audience.

There are three reasons why there is an urgent need to develop efficient forms of clean, renewable energy. Firstly, there is the very strong probability that climate change and global warming result from the emission of greenhouse gases such as carbon dioxide, nitrous oxide and methane and which are proliferating as the world population increases and people travel more, produce more waste and demand ever higher standards of living. Secondly, there is the certainty that fossil fuels will eventually run out as this growing demand depletes those coal, oil and other fossil fuels which are the lifeblood of modern advanced economies. Lastly, security of supply is becoming increasingly important to countries which are not self-sufficient in energy and are fearful of having to rely on supplies from areas of the world which are hostile or unstable.

No sensible person would dispute the need for renewables and the desirability of establishing a broad mix of energy sources but this is easier said than done. Many renewables create environmental and social problems of their own and some are driven by short-term political/electoral considerations. Hydro power can lead to the destruction of important agricultural, cultural and biological resources, nuclear power has a huge problem with the various levels of radioactive waste and many people find wind farms visually offensive added to which they are held to be damaging to tourism, bird life and property values. There is also a very big question-mark over the noise emitted by wind turbines especially low frequency noise which is now the subject of a government-funded research project at Salford University.

The series began on 12 January and ran on consecutive Monday nights at 6pm in the Pippard Lecture Theatre at Imperial. The first seminar was on wind energy when Alan Moore, CEO of National Wind Power, pointed out the advantages of wind as an energy source and Professor Michael Laughton, former Dean of Electrical Engineering at London University looked at the problem of intermittency.

At subsequent seminars the following technologies were examined: Biomass, Photo Voltaic, Nuclear Fission, Solar Thermal, Wave, Hydrogen, Hydro Pumped Storage, Geothermal and Tidal Power. In the final session Emissions Trading and Carbon Sequestration were also discussed.

The seminars have been videorecorded and a complete video tape of the series will soon be available.

## ***Airports – Is there a limit?***

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(On 27 January EIN hosted a seminar devoted to the question of airport expansion. This was organised by our new committee member Victoria McColl-Grubb, an Environment Assessment Consultant with TRL Ltd.)

The chairman, David Kingsley, began by pointing out that for many years LSE ran highly respected courses in transport and particularly railway economics and it was sad that these had disappeared. In view of the importance of air transport he hoped that LSE would soon remedy this situation by establishing courses in aviation economics.

He began by introducing the speakers, Peter McKenzie Williams, head of aviation at the Transport Research Laboratory who would look at forecasting methods, John Stewart, Chairman of HACAN Clear Skies which is concerned with the management of airport growth, Gareth Harper, an economist who would examine the reliability and accuracy of Government reports, and Hannah Ellis from Friends of the Earth who is keeping an eye on the financing of airport growth and the extent to which financiers take account of environmental considerations.

**Peter McKenzie Williams** began by saying that he was speaking as a commentator on the calculations leading up to the recent Government White Paper and specifically the Department of Transport (DfT) forecasting process. This relied on the mantra that you take GDP and add a figure in the neighbourhood of 2 per cent. Traffic growth through the Nineties exceeded that in the Eighties, dipped in 2001 but began to grow again in 2002 though the airlines by then had begun to trim capacity. He pointed out that IATA's forecasting process is to ask airlines, manufacturers and regulators what they think and then work out a passenger forecast based on 'unconstrained demand', IE: no demand management and no fuel taxes.

The UK Government view is that the 2002 figure of 190m passengers is expected to increase to between 500m and 600m passengers by 2030.

Departmental calculations may be questioned in their treatment of the low cost scheduled market, the Easyjets and the Ryanairs. None of the traditional econometric modelling techniques seemed to fit as there was insufficient data to work on so figures were just 'plucked out of the air' added to which there were significant errors in the base calculations. There also seems to be a Departmental underestimate of such things as regional traffic development and the 'propensity to fly'.

In selecting a new airport for the South East the general approach was to look at a number of issues: employment, noise, emissions, land take, demolition of properties etc. Nitrogen dioxide at Heathrow is already significant and could double with the

new runway but there is much less of a Nox problem at Gatwick or Stansted. The Government has put environmental considerations first so far as Heathrow is concerned by saying that building must be delayed until Nox problems are solved and that Stansted can be expanded.

To summarise, caution must be applied to DfT forecasts which are worryingly low. Economic trends point to a continuing growth in demand and whilst DfT says up to 600m by 2030, the speaker leans towards a greater figure if demand is unconstrained. However, one thing is certain, the White Paper makes it clear that no new airports will be built within the policy period.

**John Stewart** said that Airport Watch, which he chairs, was formed to bring together protest groups to ensure that the Government could no longer 'divide and rule'. There is a need to manage airport growth or more precisely to stop artificially stimulating it and in years to come it may even be necessary to reduce growth. The environmental reason is clear, climate change. At present the aviation industry contributes about 3.5 per cent of all the man made emissions that contribute to global warming but this could grow to 15 per cent by 2050. No one disputes that aviation is certainly the fastest growing sector contributing man made emissions and research from the RSPB indicates that all the emissions saved by renewable energy will be eaten up by the aviation industry.

There is a global equity issue here. China is building over 100 airports and there is an argument that the Western World should reduce its contribution to emissions. What is needed is an independent study assessing and reassessing what are the true benefits of aviation to the economy, not looking at aviation alone but comparing it with investment in other forms of transport and other industries.

The only recent study of this type was that carried out by Professor Whitelegg who compared the investment predicted over the next twenty or thirty years in Manchester and Liverpool Universities with investment of that same money in surface level public transport in the North West and that region's railway communications with London. What the study discovered was that the economy of the North West (and its employment opportunities) would benefit more if the investment directed into airports was redirected into the improvement of surface level public transport and railway links with London.

A fuller study along these lines must be done before the Government is in a position to evaluate the true value of aviation to the economy but the recent Aviation White paper did not do that.

Investment in railways could curb airport growth. Forty five per cent of the journeys we make in Europe are 500 kilometres or less – a three hour train journey. Germany, France and Holland are putting money into railways and we should follow suit to manage demand and indeed reduce it, something that could be done without the economy or employment suffering. Given the social and environmental issues involved there is surely a moral imperative that we do this.

**Gareth Harper** said that he would begin by talking about those economic arguments that the Government parades to justify runway expansion and secondly, those which it doesn't like to discuss as they run counter to its policies. Firstly there is the argument that aviation encourages import and export opportunities, secondly that it attracts inward investment into the UK, thirdly that it attracts tourists and fourthly that it enables UK residents to fly overseas. Clearly we are in a global economy but nowadays less than 20 per cent of airline passengers are on business journeys. Indeed, the long-term trend shows a decline in business travel as a percentage of passenger movements. So it is untrue to say that failure to increase runway capacity would hurt business travel.

Inward investment. Here the Government is guilty of double counting as this form of investment is attracted largely by business travellers.

As to overseas tourists the Government is reluctant to admit the size of the trade deficit that the UK runs on tourism. I think that last year's figure was 15 billion pounds computing the goods and services that overseas visitors purchase in the UK as against those purchased by UK tourists overseas. To that one must add a two billion pound loss to the Treasury in VAT. The long-term trend shows that this gap will widen although the DfT forecasts that by 2020 it will reverse, not that they offer any evidence for this.

Opportunities for UK residents to fly overseas. This is dressed up in egalitarian terms but the fact is that less than 50 per cent of the population flies abroad for leisure. That figure is unlikely to change because the air fare is now a minor factor when pricing a holiday, what costs money is the food and the accomodation.

The Government won't discuss the tax exemptions that airlines enjoy which is in the region of nine billion pounds lost to the Treasury in fuel tax and VAT. There are legal reasons why these exemptions are applied internationally but there is still scope for signatory countries to tax internal flights as is the case in Sweden and the USA. Kenneth Clarke tried to do this via an air passenger duty levied on all airlines, whether national or international.

It seems odd that the Government will allow tax exemptions on airlines when the money that could be clawed back through tax could be so much better used elsewhere. Incidentally, the Department of Transport's own passenger model shows that if the money lost in unclaimed tax was loaded onto air fares, the level of demand would drop to the extent that no more runways are needed.

**Hannah Ellis.** The European Investment Bank was founded in 1958 to finance the reconstruction of Europe through projects promoting economic and social cohesion and it continues to provide virtually interest free loans to pay for infrastructure projects which are in the interests of the EU.

During the past five years nearly eight billion euros have been lent to the aviation industry by EIB. Friends of the Earth wanted to know why the bank lent this money and for some time a coalition of environmental and social groups known as The EIB Coalition Campaign have been investigating its activities in financing the expansion of aviation, given that this contradicts the EIB's own climate change and environment policies. You can find a statement on the EIB website to the effect that EIB may not and will not fund any project which breaches sustainable development guidelines as set out by the EU, so one wonders why EIB lends huge sums of money to an industry which is the fastest growing source of greenhouse emissions.

One must also ask why EIB is lending money to large corporations such as British Airports Authority which could easily raise funds elsewhere when EIB's statutes expressly provide that taxpayers' money should not be lent in such circumstances.

Friends of the Earth in Holland are furious that EIB has agreed to lend a large amount of money to Schipol Airport without requesting an environmental impact assessment. The EIB says that it takes no responsibility for the possible impact of a project on the environment or the local community. In Bulgaria this policy resulted in money being lent to Sofia Airport without any environmental assessment ever being carried out.

EIB is often referred to as the Ghost Bank. It actually lends more money than The World Bank yet it has only two environmental experts whereas the The World Bank has 300. For all the above reasons it is understandable that we in the EIB Campaign Coalition are very concerned at the bank's preoccupation with handing out large amounts of money to the aviation industry.

Questions. There were a great many questions but unfortunately there is not enough room to report more than a few of these.

**Q** Can rail costs ever match air transport costs?

**A** The environmental and social costs of aviation must be included in any calculation to get a fair comparison.

**Q** How can these problems be brought into the National Debate?

**A** Government is nervous of alienating voters but it could take the lead in spelling out how tax concessions to the industry are hitting our pockets.

**Q** How many passengers using Heathrow are transit passengers?

**A** Approximately one third.

**Q** Should there be more long-haul flights in 747's?

**A** Smaller planes provide a choice of several flights per day.

## ***Update on Re-Cycle***

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**Merlin Matthews** (*BSc Management 1995*) reports on the charity which provides poor communities with a robust and cost-effective means of transport. Merlin, who is a committee member of EIN, founded Re-Cycle shortly after he left LSE.

In 2003 Re-Cycle shipped six 40 foot containers to Africa each of which carried about 400 bicycles with accompanying parts and tools. As a result of these shipments Re-Cycle has been able to provide around 2,400 families with access to cheap and practicable transport and the means of carrying out maintenance and repairs. It should also be remembered that these 50 tonnes of material might otherwise have been buried in UK landfills.

Two of these containers were shipped to AACMT, our new partner in Ghana, an organisation which has the support of Government and offers micro-credit to teachers. AACMT also runs a 'girls only' bicycle club. Another container went to the Village Bike Project which is also in Ghana and a fourth to Afribike which is setting up a 'bike library' at a school north of Johannesburg.

### **The UK**

Re-Cycle is strengthening its organisation in the UK by employing an Operations Director, Paul Jawar. Paul will develop a three year strategy for Re-Cycle and plans to establish guidelines and good practice policy. Elsewhere, Re-Cycle has continued successful relationships with its UK partners, including the Inside Out Trust (workshops in HM Prison, Chelmsford) and various youth and local restorative justice groups. One offender has now returned to work for us as a volunteer. Supporters in Norwich, Rhyl and the Isle of Wight have done sterling work in providing us with significant numbers of bikes.

### **Future Goals**

Re-Cycle is diversifying and extending its operations in Africa where it plans to develop relations with four new partners. It is also developing its links with larger aid organisations such as VSO, CARE and Medecins Sans Frontieres all of which are well developed overseas. In the medium term Re-Cycle plans to open new 'Collection Hubs' around the UK to cater for increasing demand from both donors and beneficiaries. Meanwhile, partnerships with charities such as Tools for Self Reliance (TWAM) [www.tsfr.org](http://www.tsfr.org), Riders for Health [www.riders.org](http://www.riders.org) and Computer Aid are being strengthened.

For more information about Re-Cycle contact [info@re-cycle.org](mailto:info@re-cycle.org) or Merlin Matthews at West Mersea, Essex, England CO5 8NA.

## ***Noise and 'Decent Homes'***

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By **Henry Thoresby**, *BSc Econ 1961, Barrister*

'A bad neighbour is as great a misfortune as a good one is a great blessing.'  
(Hesiod 8th Century BC)

(Thanks are due to Roger Murphy of the UK Noise Association for drawing my attention to this potent quotation and many of the issues which are discussed below.)

Various social and economic developments over the past few years have led to a housing shortage in the UK which has prompted the present government to inaugurate a massive housebuilding programme. There is much talk of the need for affordable housing and the hope that this will be provided by a 'Decent Homes' policy but it is worrying that those in authority appear to have paid scant attention to the need for acoustic insulation in what are likely to be mass production properties built to the cheapest possible specifications.

Many tenants of Housing Associations are all too familiar with life in poorly insulated conversions where everyday sounds such as flushing toilets, footsteps and conversations can be clearly heard through flimsy walls. If one adds to that the racket of a neighbour's oversized TV or the insistent thumping of amplified bass conducted through the structure of a building from three floors up, it is easy to see why home is often the last place one would want to be.

The links between noise and health are becoming more and more significant as doctors diagnose noise as the cause of a large variety of medical problems including high blood pressure, depression and malfunctioning immune systems. Noise at work can sometimes be dealt with under Health and Safety legislation but it is far more difficult to deal with neighbour noise whether caused quite innocently or by selfishness or more blatant forms of anti-social behaviour.

Our legal system, and in particular our law of Nuisance, is an uncertain and frequently ineffective weapon when dealing with neighbour noise. Until the law in this area is reformed other means must be found to reduce the impact of noise and much can be achieved by the installation of efficient sound insulation.

This being the case, it is extremely worrying that at a recent hearing before a House of Commons Select Committee it became evident that the Government is reluctant to upgrade building specifications to ensure satisfactory acoustic insulation in mass constructed new build.

This is a very short-sighted policy given the potential cost to the economy resulting from damage to health, interference with sleep and family breakdown. Many of the residents in these new 'affordable' homes are likely to be shift workers who may in any case find it difficult to make the necessary transition from night to day and for whom sleep is a problem.

It is time for the Housing Corporation, the Chartered Institute of Housing, the National Housing Federation and most of all the Office of the Deputy Prime Minister to accept that the lack of adequate acoustic insulation in new build is likely to become a serious and expensive problem for those who are destined to live in these much heralded 'Decent Homes' of the future.

## ***Re-Processing PET bottles***

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By **Harry Pearce** (Occasional student Economics 1964-1965)

When Nathaniel Wyeth received a patent in the USA in 1973 he started something that now impacts on our daily lives. The patent was for plastic bottles, which are used as containers for soft drinks, salad dressings, peanut butter and many other products, thereby providing huge benefits for both individuals and manufacturers. Plastic containers are inexpensive, lightweight, shatter-resistant, re-cyclable and they can be resealed. The problem is that they have become such a success that their sheer numbers are creating an environmental monster.

Plastic has structure and so much energy has been invested in its manufacture that it is a shame to bury the material when it still has value. Scott Seydel and my colleagues at Evco Research in the USA have developed the idea that if people could be shown that recycling was profitable, they would have the incentive to gather waste articles for recycling and so derive profit from being environmentally aware.

EVCO now has nine patents for reclaiming plastic bottles and recycling them into products such as stain repellents for carpets, environmentally friendly coatings for food containers and many other uses. Technology licences are sold throughout the world. In South Africa we see the project as being able to produce employment for illiterate or poorly educated people who will collect PET bottles and be paid for their efforts which is a good way to clean up the planet whilst finding a good use for waste material that would otherwise end up in a dump.

Once the bottles have been reduced to flakes after chopping and washing they go into reactors where they (the flakes) are put through depolymerization, monomeric and additive compounding and repolymerization over a 24 hour average time cycle at which point they have become a thick, molten, thermoplastic polymer which is either dropped into moulds to solidify, after which it is streamed into solidifier/pulverizers and converted into powder, or else dropped into specially formulated waters in which they disperse or solubalise. The moulded solid form can be converted into liquid for paper and cardboard coating.

In South Africa we plan to develop the market first with imported raw material from the USA and later perform the integrated operation in its entirety.

## ***Members Business Initiatives***

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### **EcoConsulting**

Maya Karkour and Nanik Daswani, recent graduates of the LSE Environmental and Assessment Masters program have set up an environmental consultancy based in London. EcoConsulting focuses on improving the relationship between households, industries, businesses and the environment through greater energy-efficiency and the better use of resources.

EcoConsulting provides four inter-related services:

- 1** The reduction of utility bills and running expenses by the improvement of energy-efficiency and water consumption through the provision of integrated services tailored to the specific demands of clients.
- 2** The improvement of health standards inside houses and buildings by the use of natural materials wherever this is possible ie: by the use of natural rather than chemical paint.
- 3** The improvement of comfort levels in premises and thus the quality of life and productivity of occupants and visitors by providing spaces that are pleasant and relaxing.
- 4** The encouragement of sustainable development in the construction industry and the minimization of environmental impact during the construction phase by the use of environment-friendly materials.

EcoConsulting is certified for conducting BREEAM and EcoHomes assessments. These are two independent sustainability evaluation methods for industrial/commercial buildings and homes, they have been developed by the Building Research Establishment Ltd (BRE) which also monitors them. They are widely recognized across the UK.

Maya Karkour, consultant for EcoConsulting (UK) Limited, is a licensed BREEAM and EcoHomes assessor, she has a Masters degree in Environmental Assessment and Evaluation from LSE (2003) a Bachelor in Commerce from McGill University (1996) and a Bachelor in Pharmacy from Universite de Montreal (1995).

Nanik M Daswani, co-founder and consultant for Eco Consulting (UK) is a licensed BREEAM & EcoHomes assessor, he has a BA in International Relations and Diplomatic History from the University of Pennsylvania (2002).

## ***Members Biographies***

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### **Danielle Deane**, *MSc in Environment and Development 2002*

Danielle is Associate Program Officer for the Environment program at Hewlett Foundation in California. Her responsibilities focus on broadening the base of the environmental movement in California by working to strengthen the political and organizational capacity of non-traditional and disproportionately affected constituencies. Priority issue areas are the advancement of sustainable energy and transportation efforts to improve air quality as well as open space and parks availability. Prior to this Danielle was a Financial Risk Analyst/broker specialising in Reinsurance at Guy Carpenter & Co, part of the Fortune 500 multinational Marsh & McLennan. Previous work includes research at the NASA Goddard Institute for Space Studies on the potential benefits of El Nino forecasts for communal farmers in Zimbabwe and Field Manager duties for the Sierra Club/Fund for Public Interest Research (Wetlands campaign. Danielle gained her BA in Political Economy (with an Environmental Studies concentration) from Williams College in Massachusetts and her MSc in Environment and Development from LSE in 2002.

### **Andrew Jacobs**, *BSc Economics 1984*

Andrew is Chief Executive and a founding director of Trucost Plc, the environmental research organisation. He has a BSc Econ from LSE and an M Phil in Economics from Cambridge University. Following this he worked for twenty years as a stockbroker and entrepreneur. In 1995, Andrew founded Lok'n Store, the Aim-listed self-storage company, before which he was an Executive Director at Nomura International.

### **Thomas Henry 'Harry' Pearce**, *Occasional student Economics 1964-1965*

Harry Pearce, who originally qualified in Commerce at the University of Capetown, spent 1964/1965 at LSE as an occasional student when he was on transfer to Mobil Oil in the UK. He was CEO of Da Gama Textile Co Ltd, a subsidiary of Tootal and Coats Viyella, from 1983-2001 and President of the Textile Federation of South Africa 2000-2001. During his time in the textile industry he met the owner of Evco Research and became interested in PET reclamation and its potential to clean up the planet as well as providing products that are useful in daily life plus employment for unqualified people.

### **Ben Savill**, *MSc in Social Policy and Planning in Developing Countries 1998*.

For the last four years Ben has worked in the Public Affairs Department of the National Federation of Women's Institutes (NFW), the largest UK women's organisation. He retired as its Head in December 2003. The Department carries out the research, policy, campaigning and lobbying work of NFWI on issues of public policy. This involved a huge variety of work including such matters as post office

closures, sustainable agriculture, rural development, transport and road safety, chemicals and health, GM food, Third World Debt, and international trade. Between 1993 and 1997 Ben worked in Vietnam, first as a volunteer teacher trainer in the remote Central Highlands and then as a consultant on environment and development for Oxfam Hong Kong, Oxfam UK and IUCN – the World Conservation Union. He returned to the UK in 1997 to do an MSc at LSE and shortly afterwards joined the committee of EIN. He is leaving the UK to join his Vietnamese wife, a primary school teacher in Southern California. His main research interests are religion, sustainable economics and development in South East Asia.

### **Simon Thomas**

Simon is chairman and a founding director of Trucost Plc. He has 20 years senior business experience in the finance, publishing and self-storage industries. As Chairman of Trucost, Simon is a regular commentator on the quantification of environmental impacts and he frequently addresses the investment and corporate community on SRI and CSR – related issues. He is also a director of Lok'nStore, the Aim-listed self-storage company. Previously Simon co-founded the Emerging Markets Investment Trust business at LCF Edmond de Rothschild and he has held senior positions at Swiss Bank Corporation, Nomura International and Reed International.

### **Martin Polden, LLB 1953**

Martin, who is President, co-founder and first chair of the Environmental Law Foundation describes how his early legal career developed into an abiding interest in environment issues.

Following my time at LSE and qualification as a solicitor I established a General Practice in 1958 which in due course merged with a firm in Gray's Inn. I became the senior partner of this enlarged practice and in the Sixties I stumbled into civil liberties issues. A number of designer and fashion-connected clients as well as others in creative work fell foul of the soft drugs laws and sought my help. As a result of this I began to work with 'Release' and became involved in issues of penal reform.

The Eighties opened my eyes to environmental problems. I was introduced to the Green Alliance and through this I became aware of seminal works by Rachel Carson and E.F.Schumacher. At the urging of environmentalists including Diana Schumacher I recognized that the professions (perhaps lawyers in particular) were primarily supporting the despoilers and neglecting the victims. With Diana and two professors, one of law and one of environmental science, we identified the need for an agency upon which local communities could call and through which they could obtain advice, guidance and support with respect to their environmental rights.

In January 1992 the Environmental Law Foundation [ELF] was launched. This charity, through its nationwide membership of practitioners provides a resource on a pro bono basis. Local people now have the benefit of free access to experience and skills of no less quality than those available to corporations, regulators and other authorities. Over 2000 cases have been taken on by ELF some of which have progressed to the House of Lords in addition to which many thousands of enquiries are dealt with each year by a small office staff run by 4 paid employees and many volunteers. Individual cases vary, but the first consultation is entirely free this being an opportunity to clarify the issues, after that fees may be charged on a reduced basis or waived altogether.

ELF works closely with EIN through activities such as the ELF/EIN joint conference on Noise which led to many developments in the battle against noise pollution and it provides training schemes and produces many reports and other publications. It has now taken an important place amongst environmental NGO's and is recognised as a positive force by government.

I now serve on the Planning and Environmental Committee of the Law Society and have been appointed a Fellow of the Society for Advanced Legal Studies. In 1994 I co-authored a practical guide entitled 'The Environment and The Law' which takes as its theme the Aristotelian concept of the four elements of Air, Water, Earth and Fire.

## ***Are you involved in an environmental initiative? Tell us about it.***

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If you are involved in an environmental organisation, or simply want to share your environmental concerns and interests with others, write an article for *Environmental Initiatives*. Please address your articles to:

The Editor, c/o Nat Holtham, the Office of Development and Alumni Relations.

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