

The logo for Edinburgh Beltane open minds features a colorful, multi-layered cloud shape with horizontal bands of green, blue, purple, and orange. Below the cloud are two small white circles, suggesting a thought bubble.

EDINBURGH BELTANE  
open minds

# SFF Seminars on Climate Change, March 2011

A Discussion Paper

In early March 2011, Scotland's Futures Forum along with Edinburgh Beltane hosted two seminars to consider the findings of the Royal Society of Edinburgh's report *'Facing up to climate change: breaking the barriers to a low-carbon Scotland'*. These events were attended by MSPs, policymakers, academics and others with an interest in the subject.

### Key Points

- The current British financial industry is not, in general, equipped to invest in low-carbon initiatives. There is scope for change so that there are appropriate investment mechanisms for these highly-sustainable opportunities.
- There is tension between producing clear, simple messages about climate change and a tendency for sloganising. Most importantly, people need to actively engage with the issues rather than passively receive information.
- Currently in Scotland there is a conflict between individual interests and the interests of society: we can learn from more-equal societies (e.g. Scandinavian) where efforts towards a 'greater good' are considered harmonious with individual interests.
- There are real, tangible examples of Scottish low-carbon initiatives which have resulted in benefits, ranging from personal profit to community regeneration and reverse of population decline.
- Carbon price will be a powerful lever in reinforcing other actions against Climate Change and must be reviewed.
- The professional bodies demonstrated low commitment to engaging with the *'Facing up to Climate Change'* report, but will play a vital role in reducing some of the obstacles which block the move towards a low-carbon society.
- Continued education is vital, including as part of Professional Development so the awareness of climate change is embedded into career paths.
- Strategic planning must be integrated at national and local scale, so that low-carbon planning is enabled and facilitated at every level.
- The climate change "crisis" can be reframed as a positive opportunity for Scotland: the country is well-positioned to thrive as a European-leader in green energy/technology, and enjoy the ancillary benefits of a low-carbon society (e.g. improved housing; better health for Scottish people).
- Leaders need to set a good example with regards to low-carbon practice. There should be a mixture of 'top down' and 'bottom up' action, with staff within all organisations empowered to make proactive changes.

## Summary of discussions

### Implications for financial industry

The RSE report concluded that the financial industry should take more of a lead in developing products to support investment in renewable energy, particularly at community level. Such projects have been unappealing to the industry because of the high initial capital costs and long payback period. However, it was noted that many of the Landesbanks in Germany have developed products to support investment in renewables. During 2008, around EUR 200 million of total new business for the Landesbank Baden-Wurttemberg was attributable to the wind energy sector.

And it was a Dutch bank, Triodos that initially invested in the Westray Community Wind Turbine in Orkney.

Some participants felt that the financial industry was beginning to wake up to these issues, particularly given the volatility of the political climate in the Middle East and its impact on the oil price. The University of Edinburgh Business School has just launched the world's first MSc in Carbon Finance, which is aimed at "professionals in the carbon market and climate change investment field [focussing on] the business opportunities and financial flows driven by society's response to climate change".

However, many were of the view that the industry was currently fixated on reducing deficits, given the current economic climate, and that developing new products for this market was unlikely to be a priority.

There was also discussion about the desirability of the UK government's mooted green investment bank having its base in Edinburgh and consensus that those in a position to do so should lobby for this outcome.

### Changing the rhetoric

It was felt by some participants that a focus on a low-carbon economy was unhelpful and not necessarily very engaging for the general public. Given that carbon dioxide is a prerequisite for plant life on the planet, rhetoric that fixates on carbon reduction detracts from some of the wider issues, such as water scarcity, biodiversity, loss of species and tackling environmental pollution.

The report's authors acknowledged the tension between producing clear and simple messages about climate change and the tendency for sloganising. But tackling climate change is fundamental in that it underlies issues of biodiversity, water scarcity, use of resources and the social and economic prosperity of society. One member of the inquiry team felt that, in general, it was important to stop seeing the general public as passive recipients of information relating to climate change.

## Culture change/embedding sustainability

One participant suggested that our response to the challenge of climate change was, as argued in the Report, a 'society problem and not an environment problem'. Another proposed that we need to start thinking of it as "our" energy if individuals and communities are to avoid 'nimby-ism' and become more engaged in finding solutions.

Indeed, Alasdair McVicar of Westray Renewable Energy said: "When the community realised it was their turbine, not someone else's, there was no objection."

The Christie Commission on the Future Delivery of Public Services, which is due to report in June 2011, has at the heart of its remit "an urgent need to ensure the sustainability of Scotland's public services". However, the report notes that at present a low-carbon future is not part of its remit.

## Empowering communities

It was widely felt that empowering communities to respond to the challenges of climate change was critical, whether that was through investment in micro-renewables or cutting red tape associated with planning applications. The Report stresses the importance of creating predictable local finance for investment.

It was also accepted that real value for money could be achieved when investing in community level projects and that these often also had social capital benefits.

## Carbon price

There was considerable debate about the pricing of carbon and whether or not it was currently undervalued. Most participants agreed that a carbon price was one of the most powerful mechanisms available to reduce greenhouse gas emissions and most accepted that carbon was currently undervalued, partly due to the over allocation of CO<sub>2</sub> permits.

However, there was also a feeling that there is more to mitigating the impact of climate change than making consumers pay more for travelling by plane or private car. The Stern Review made the following point:

"Three elements of policy for mitigation are essential: a carbon price, technology policy and the removal of barriers to international change. Leaving out any one of these elements will significantly increase the costs of action."

One of the report's authors also noted that DECC's proposed reform of the electricity market was designed to achieve a predictable increase in the cost of producing electricity.

## Involving the professions

Participants were disappointed to learn of the poor response to the RSE inquiry from the various professional bodies. There was a shared view that the professions have a critical role to play in dismantling the barriers to achieving a low-carbon Scotland.

Given their role in translating legislation and regulations into practice, there is huge scope for cutting bureaucracy and radically simplifying processes that inhibit the ability of communities to put in place solutions to climate change.

For instance, the report notes that it took 800 separate legal documents to establish the community wind turbine on Westray.

## Education

Education at all levels was seen as vital. The report noted the success of the Eco Schools programme, which is active in almost all local authority areas in Scotland. It was felt that schools should be incentivised to put in place energy efficiency measures by allowing them to benefit from the savings made.

There was also discussion about the importance of education as part of continuing professional development for those in the professions.

## Need for planning frameworks

The report highlights the lack of strategic and integrated planning at local and national level in Scotland. It was felt, for example, that a more strategic approach to land use could quite quickly deliver reductions in carbon.

Participants bemoaned the low status of planners within local authorities. Many felt that planners should take ownership of this agenda, driving forward an integrated planning framework that had at its heart the goal of a low-carbon Scotland.

## Selling the benefits

A hectoring approach often leads to the general public becoming disengaged, and a number of participants felt that there was a need to shift the debate from the notion of sacrifice to selling the positive benefits to individuals and communities. This is the gist of the report.

For instance, our current lifestyle costs the taxpayer billions of pounds each year tackling obesity, mental illness, poor housing and so on. The pursuit of a low-carbon Scotland may well relieve pressure on the public services that spend so much of their resource on responding to negative social outcomes.

At an international level, Sir Nicholas Stern sees tackling the challenges presented by climate change as inextricably linked with a social justice agenda and the eradication of global poverty.

## Change what we measure

Some participants felt that measuring success meant that we must start measuring different things. Right now, success is mostly defined in terms of consumption levels and GDP and measures of educational success are mostly restricted to attainment levels in numeracy and literacy.

The Prime Minister recently admitted that “GDP is an incomplete way of measuring a country’s progress”. From April 2011, the ONS will be gathering people’s views on their own wellbeing in its large household surveys.

Equally, it is important to monitor and measure projects that have been successful in reducing carbon, including those from overseas, so that learning can be disseminated across Scotland.

## Leadership

Leadership and vision at all levels – from national government to local communities – is also critical. Most participants were of the view that there would need to be a mixture of drive and action both top-down (e.g. regulation and licensing) and bottom-up (e.g. community-driven projects).

In order to break out of structural constraints, there was a view that leaders should seek to identify and empower those within their own organisations and ensure that money and resource follows ideas.

One participant questioned whether the RSE might be able to set up a standing committee as a mechanism for the independent scrutiny of Scotland’s progress in integrating the goals of the 2020 Climate Group.

This report has been prepared from two events held at The Scottish Parliament on 2 March and 10 March 2011.

It is part of an overall Research Futures Seminar Series which the Forum is holding in collaboration with academic partners. The series supports knowledge exchange between the Parliament and Scotland's universities/Civic Scotland and allows people from different backgrounds to share their perspectives on how we, as a country, overcome the challenges of tomorrow.

The aim of the seminars is to provide Members, policymakers, researchers, academics and other interested parties with the opportunity to network and to generate discussion around a specific area of research that has direct relevance to the Scottish Parliament.

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For more information on the work of the Forum please contact:

**Donald Jarvie**

**Head of Business, Scotland's Futures Forum**

[donald.jarvie@scottish.parliament.uk](mailto:donald.jarvie@scottish.parliament.uk)

0131 348 6698

[www.scotlandfutureforum.org](http://www.scotlandfutureforum.org)

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