

Breakthroughs for the 21st Century

Synthesis report from stakeholder event: 4th June 2008

Background

“Breakthroughs for the 21st century” was an event that formally launched the SDC’s new project, which will be running until summer 2009. The ‘Breakthroughs’ project is intending to both highlight progress and weaknesses in achieving the goals outlined in The government’s sustainable development strategy *Securing the Future* (2005), and to advise government on breakthrough areas or policies that could accelerate progress towards sustainable development in the UK. The event was intended to collect participants’ views and experiences on previous breakthroughs on sustainable development issues and to help develop some key criteria for successful breakthrough policies or measures in the future.

Introduction

Jonathon Porritt, Chair of the SDC, introduced participants to the Breakthroughs project and the policy background, including the government’s five principles of sustainable development.¹ *Securing the Future* starts with the aspiration that these five principles would form the basis of all policy in the UK. The hypothesis of the Breakthroughs project is that three years on, government is still largely operating on business-as-usual, and that sustainable development is far from being the central organising principle of government.

Following this introduction by the Chair, participants joined four mixed and facilitated working groups to investigate how breakthroughs policies had been achieved to date. This synthesis report outlines the key messages. The groups also began to explore areas where breakthrough policies will be needed. This thinking will be developed further through stakeholder engagement sessions in autumn 08 and initial thoughts from June 4th will be fed into those discussions.

¹ The government’s five principles of sustainable development are: ‘living within environmental limits’ and ‘ensuring a strong, healthy and just society’, supported by a ‘sustainable economy’, ‘good governance’ and ‘sound science’

1. Lessons learnt for achieving breakthroughs

Groups were first asked to consider situations where breakthroughs or a step change had happened, and investigate whether there were any insights that could be taken from these examples and applied when looking at breakthroughs for sustainable development.

Of the 'breakthroughs' identified by the groups, most were either the culmination of a series of small actions over time that then led to a big change (the 2007 smoking ban) or a response to a crisis that achieved a step change (the 1956 Clean Air Act).

Overall, breakthroughs were felt to require a number of factors both pushing and pulling an issue to generate an environment in which people were empowered to create a social movement or political and cultural change. Key to 'breakthroughs' would be changing the mindsets of decision makers and encouraging bold leadership.

Persistence

A number of the breakthroughs identified were felt to have resulted from support being built up over a period of time. The breakthrough policy itself may have been the culmination of this support, but equally might have been something that started small and built up.

The smoking ban

- Clear, simple messages
- Evidence of impact of smoking on self and others
- 45 years of effective campaigning and public information campaigns
- Role of Trade Unions on work place rights and passive smoking
- Aligning of lobby groups
- Following the example from Ireland
- Making help available for people to stop (NHS support)

Crises

Breakthroughs had also resulted from crises, or perception of an impending crisis, where people have taken the opportunity to drive change. Big external events such as the 'war on terror' and the London smogs, have all been used to drive fundamental changes in behaviours. Though sustainability itself was felt unlikely to be the cause of a crisis in the short term, it may be the beneficiary of them. For example, high fuel prices increasing energy efficiency.

Clean Air Act

- Crisis in air quality in London, leading to significant pollution related deaths in 1952
- Regulatory response: use of coal in open hearths banned
- Strong legislation easy to justify to general public
- Alternative smokeless fuel widely available, accreditation scheme for smokeless fossil-fuel boilers introduced

Changing mindsets & encouraging leadership

It was agreed that key to achieving political breakthroughs was changing the mindset of the person taking the decision. This potentially required changing the opinion of the decision-maker, and/or instilling that leader with the confidence that they are able to instigate changes and make a difference to peoples' values, habits and behaviours. There was a feeling that many leaders currently feel they are powerless against the whims of the public or media.

Congestion Charging

- Political leadership prepared to take risks – against strong anti-lobbying of media, business and some civil society groups
- Response to crisis of congestion in London
- Identifiable investment in alternative travel modes (buses)

Advocates of a breakthrough change required a strong body of compelling evidence to sell the breakthrough policies to others. These included:

→ **Providing evidence of benefits (& costs)**

For politicians to make bold decisions and take risks, they need clear and strong evidence for the change. This could include examples of where a policy has worked, how much it is expected to cost and what the benefits are (monetary and non-monetary).

Health and Safety e.g. seatbelts

- Strong evidence of benefits & costs in road traffic accidents
- Technology available in cars
- Regulation: wearing seatbelts mandatory

→ **Using the language of “risks and opportunities”**

It was felt that breakthrough policies needed to be articulated in the right language - that of government need, risk and opportunity. For political leaders to convince themselves and others, strong arguments need to be developed on what should change and why.

Stern Report

- Language framed climate change mitigation in context of economic growth and social justice – risks and opportunities
- Strong economic analysis and assumptions used to monetise costs and benefits

→ **Demonstrating a public mandate**

Public opinion and the threat of ‘unpopularity’ or negative publicity is one of the biggest influences on politicians and can therefore either encourage breakthroughs or be a barrier to them. Strong action can be taken by politicians when the mandate comes from the public. Where it is absent, political will is likely to evaporate, e.g. Fuel Duty Escalator in 2001.

The strongest reaction by the public is often where decisions are seen as dissonant with political values, for example the Labour party’s 2008 abolition of the 10p tax rate. Where changes are congruent with values, it provides the space for iconic policies and strong leadership e.g. Child Trust Funds.

Plastic Bags

- Evidence of public mandate increases likelihood of regulation
- Voluntary initiatives with retailers had limited success
- Now towns are acting independently – will this work better?
- Evidence from plastic bag bans in Ireland and elsewhere in EU

→ **Using international pressure**

There were a number of examples where international pressure, globally or through the EU had been used to drive significant changes in policy. For example, the EU has been particularly important in

driving changes in the UK such as the switch to unleaded petrol, energy labelling of white goods and mandating high efficiency and condensing boilers .

EU renewable energy target

- International pressure through the EU. Agreed during two day EU leaders summit, chaired by Chancellor Angela Merkel
- Concern about UK's competitive position relative to rest of the EU
- Political leadership

→ **Challenging vision (political competition)**

In a number of examples of breakthrough areas, party politics and competition over the level of ambition and/or vision within political leadership has also provided impetus for change, most recently on climate change.

Climate Change Bill

- Labour response to Conservative Party strong rhetoric on green issues
- Setting a long-term framework

2. Provocative Propositions

In the second stage of the working groups, participants were asked what provocative propositions the SDC should put to government, bearing in mind the 'lessons from breakthroughs' discussion. What would they expect Government to do if it were serious about really accelerating progress towards sustainable development?

The ideas raised in those sessions have been put into the following six areas:

1. Encouraging social entrepreneurialism
2. Systems thinking
3. Putting sustainable development at the heart of policy making
4. Making sustainable development worth it
5. Reducing barriers to action by others
6. Have some big ideas

1. Encouraging social entrepreneurialism

Issue: Sustainable development breakthroughs can lack numerical data and evidence to support articulation of the benefits of change

- **IDEA – Localism**

Governments need to make room for experimentation (and the associated failures) in policy making and encourage a stronger culture of entrepreneurialism. This requires more honesty from politicians and admission of the need to experiment with policies given that the future and effectiveness of policy levers are unknown.

It was felt that more radical devolution could empower communities, local authorities, cities and regions to take calculated risks to initiate and experiment with initiatives to achieve breakthroughs in sustainability. As well as seeing changes on the ground, this would also help bring in new ideas, test out policy approaches and build up an evidence-base on what works, and the costs and benefits of actions. This learning could then feed ideas into national policy appraisal.

More action on SD at a local level could be facilitated by:

Local leadership

- Encouraging local leaders to be catalysts for change (Mayors, head teachers, social entrepreneurs and other community leaders)

Using wellbeing powers

- Enabling greater use of wellbeing powers in Local Authorities - it was noted that the wellbeing power has the potential to be used for sustainability, but is not being, due to lack of confidence by local leadership

More resources

- Increase local financial resources for experimental policies, through either devolving some tax and fundraising powers to the local level (ideally revenue neutral), or providing start up funds for breakthrough projects (a big ideas fund) or encouraging private sector philanthropic funding to support breakthrough ideas.

Remove barriers.

- Some barriers to local action were identified including, local bylaws and potentially prohibitive government targets (i.e. crime targets) that can stand in the way of projects and stifle innovation.

2. Systems-thinking

Issue: Concern about possible perverse consequences from SD policies

Systems thinking was seen as a holistic process that could achieve change through the coordination of numerous complimentary policies. For example, improving sustainability of existing buildings/homes requires many different approaches

- Home Information Packs provide information as enablers for change
- Fiscal incentives to improve investment in homes to improve efficiency ratings
- Employment & skills - take 200,000 unemployed to help insulate existing homes
- Feed-in tariffs for small-scale energy generation to encourage distributed energy
- Encourage energy efficiency using “exaggerated stimulus” – i.e. focus intensive effort in a few places with high energy use to help generate powerful stories of change and encourage technological development, rather than spreading effort thinly and widely

- **IDEA - Encouraging collaboration rather than conflict**

Positive change has happened where a confluence of organisations and interests have come together and created change from the grass roots. Other examples included the alliance between businesses and NGOs that created movements like Forestry Stewardship Council.

- **IDEA - Business models based on achieving outcomes rather than outputs**

A shift in business models to provide outcomes rather than delivery of outputs or products, which can have perverse consequences, could be important e.g. utility companies to provide water efficiency services rather than water, acceptable levels of heat not energy inputs etc.

- **IDEA – new models for consultation**

It was also raised that government need to be more imaginative and transparent about collaboration and consultation models for new policies and using evidence in an open engagement process.

It was felt that government needed to be bringing in different/new opinions on policy making to ensure policies do not simply reinforce vested interests and the status quo. The policy consultation process needed to engage closely with all parts of society, including the industries of the future, which may have less capacity to engage directly with government processes. The suggestions also included government listening less hard to initial conservative business objections, as often once a policy is irrevocable, businesses then put creative energy into how to deal with a new policy and make money. (e.g. HIPS)

Homelessness policy

- Government got different people (not civil servants & usual consultees) to look at the issue and bring in outside perspectives on the problem
- New approaches to Social Exclusion Policy in 1997
- Whole-systems thinking

3. Putting sustainable development at the heart of policy making

Issue: There was felt to be a lack of confidence and understanding of sustainable development in government. Often it is just thought of as climate change and associated ‘trade offs’.

- **IDEA – Making SD a core responsibility or a core department**

There was felt to be potential for making SD the responsibility of a core and powerful department such as HMT. This would involve HM Treasury deepening its understanding of sustainable development and pulling together cross-government sustainability indicators and reporting using the five principles as the foundation.

- **IDEA – SD as the central organising principle of better regulation agenda**

Nearly all the breakthroughs identified had depended on some level of government intervention or regulation. Despite this there was still felt to be a belief in government that the market and businesses can deliver positive sustainable development outcomes without public interventions. While the current better regulation agenda is intended to minimise costs not to produce investment, some businesses are starting to ask for more and better regulation that works to create a level playing field of minimum standards and drives investment in sustainability.

- **IDEA – Sustainability in cost/benefit analysis**

It was also felt that a breakthrough could be made by embedding sustainable development in the heart of policy-making methodologies such as cost/benefit analysis, value for money methodologies and impact assessments.

Redefining cost-benefit analysis would require:

- Looking at whole benefit equation as well as whole cost equation when making policy decisions
- Quantify, so far as possible, people value benefits (not just economics)
- Include inter-generational equity (e.g. legislation has to be expected to be relevant in a 50 year framework)

4. Making sustainable development worth it for business

Issue: Lack of available financial support to develop sustainable technologies (e.g. to support transition to zero-carbon new build) – or reward more sustainable behaviours.

Some well-intentioned incentives or policy definitions did not support sustainable development e.g. the 20p tax reduction for used cooking oil bio-diesel was not enough to stimulate this market, as the additional costs of IPPC compliance, rising costs of cooking oil and the “waste” definition of glycerol from the process all added up to costs that outweighed the benefits of the tax incentive.

- **IDEA: Use fiscal policy to increase economic incentives**

It was felt that there needed to be more alignment of the tax system to achieve sustainable outcomes. To achieve swift changes, there needed to be some really big and bold incentives/stimuli to amplify the benefits from positive behaviours by businesses and people.

Example: Unleaded Fuel

- Facilitated by EU legislation
- Fiscal measures used to change required behaviour (exaggerated stimuli)

- **IDEA: Government procurement/funding**

Government spends £4 in every £10. This amounts to a vast amount of resource that could be used to transform markets and society. Currently large sums are lost in high risk projects (£20bn NHS computer systems) whereas only small sums are spent on renewables etc. It was suggested that there should be some transparent system for Government to directly compare and justify these projects and the relative level of expenditure.

5. Reducing barriers to action

Issue: Not all "ducks are heading in the same direction" – such as legislation, regulation, the definition of waste etc... these create barriers to achieving sustainable outcomes.

- **IDEA: The right framework to encourage businesses**

It was suggested that more and greater incentives are needed to make it easier for revenue to be invested in sustainability by businesses. A big barrier currently is cost payback (although increased energy and materials costs would help change this balance). It was proposed that there should be new methods to widen cost valuation and increase tax breaks.

Businesses also need the right framework to be in place to deliver sustainable outcomes. An example was given of the Operating and Financial Review that was abandoned despite business asking for a framework and level playing field on sustainability disclosure.

- **IDEA: Simplify processes and funding**

It was felt that there should be simplification of government processes that affect sustainability in practice. This would aim to reduce and avoid situations such as Shell's departure from the London Array, BP/Shell/ConocoPhillips withdrawal from the Peterhead/Miller Field carbon capture and storage project and Amec and British Energy's abandonment of the Isle of Lewis wind farm project. Ideas to address this issue included:

- Better project assessment for demonstration projects
- Simplified project funding requirements
- More dynamic and sympathetic planning system etc.
- New rules for RDAs funding (currently unable to fund national projects and initiatives).

6. Have some big ideas

Issue: Lack of bold leadership on sustainability. Which governments have come unstuck by being truly bold?

- **IDEA: vision and big ideas**

Government should develop a clear vision about what a sustainable world would look like in reality (what people would buy, eat etc) and use this as a basis for some bold policies. Initial thoughts were shared, but these are not written up in detail here as these require development through ongoing SDC engagement in autumn 08.

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