

Integrating Social Equity in Carbon Reduction Initiatives:

A snapshot of issues for community organisations and local authorities

This is a summary of a paper presented at the Environmental Change Institute conference on People and Energy, September 2011. The full version of the paper includes three cases studies from the UK, US and South Africa. For a copy of the full paper see <http://web.mit.edu/colab/> or <http://www.evaloc.org.uk/>

For those leading efforts at carbon reduction, whether through community action or policy change, issues of social equity should be of key concern. Integration of social equity into carbon reduction interventions can increase the quality and extent of impacts by building the societal engagement that is critical to building and maintaining a momentum for change. Conversely lack of attention to social equity in low-carbon initiatives could lead to an exacerbation of existing inequalities, and a political back lash that slows efforts to decarbonise, and reduces the potential for reaching scale.

Five arguments for integrating social equity in low-carbon development

The following arguments can be made for including social equity in low-carbon development:

Moral imperative. As a human society, we have an obligation to ensure that policies and institutions do not disadvantage or exclude weaker groups.

Reach and impact. Introducing an equity focus to carbon reduction initiatives can help extend the reach and arguably the overall impact of carbon initiatives.

Political Support. Transition will bring new costs and responsibilities to consumers, industry and regulators that will require political support. Low-income-communities have a political voice that can either help drive through new policies and regulation, or conversely, resist change.

Mobilising hidden assets. Low-income communities can hold a range of economic assets and resources --- land, investment funds, purchasing power, social networks, skills and knowledge --- that are increasingly recognised but still largely under-utilised in low-carbon strategies.

System impacts. Equitable approaches can increase the efficiency and impact of carbon reduction investment by simultaneously generating new wealth creating opportunities and social and economic benefits for deprived communities, and for society as a whole.

Approaches to achieving social equity in low-carbon development

Achieving social equity in low-carbon initiatives requires new partnerships and policies to overcome the political, financial and institutional barriers that inhibit the involvement of low-income communities. There are many lessons emerging from practitioners on how to increase the equity outcomes of low-carbon initiatives. Drawing on these, three broad strategies emerge for bringing social equity more centrally into low-carbon initiatives.

Distributed Benefit: ensuring benefits from low-carbon energy initiatives – whether in the form of financial benefits or savings, increased property valuation, or job creation -- are spread fairly across communities. In Easterside UK, for example, a partnership approach between a local community, city-wide charity and the local authority enabled households in one of the most deprived areas of the UK to co-design and benefit from local energy efficiency and renewable energy projects. To ensure a positive net income for low

income groups it is also important that the costs of low carbon energy initiatives are financed in a fair and progressive way.

Ownership: ensuring low income groups have an ownership stake, and hence benefit from, low carbon investments. This may involve ensuring that low income groups are members or shareholders of new community low carbon enterprises and so benefit from dividends, interest, services, or reduced costs. This may range from traditional cooperatives for the benefit of members, Industrial Provident Societies for the benefit of the community, to new forms of social enterprise such as Community Interest companies. Alternatively it may involve ensuring community groups have a fair stake in commercial energy projects in their communities. Just Energy, a not for profit social enterprise supported by Oxfam, helps build the negotiating power and ownership stake of communities in renewable energy projects by valuing non-monetary assets held by communities such as land and public support.

Participatory governance and agenda setting: securing the voice and participation of low-income communities in the design, development and implementation of low-carbon initiatives. Equitable approaches may range from securing diversity within management committees, shareholders and/or memberships, through to coalitions with social movements and organisations with diverse membership bases. In Portland, Oregon (US), a steering group of local agencies trade unions, minority community organisations, minority business associations and trade associations ensured that low-income and disadvantaged groups had a significant voice in defining priorities. This resulted in specific goals and outcomes of benefit to women, minority communities and at-risk groups.

Implications for practice and policy

Equity in low-carbon initiatives can be facilitated through a combination of supportive policies, innovative coalitions, and a practice of community organising that secures inclusion from the outset. The following lessons emerge from communities that have focused on equity within low-carbon initiatives.

Equity is a starting point. A strategy based on social equity considerations will look very different from a strategy that brings equity in at a later stage. It is not impossible to bring equity into carbon reduction strategies at a later stage, but it is harder to engage low-income and disadvantaged communities if they have not been part of defining the agenda from the outset.

There is no single formula for achieving social equity. Every community has a distinct ethnic, social, economic and political make-up that will be critical to determining the path forward. Understanding and mapping a community's socio-economic profile and its social, technical and financial resources are important first steps.

Governance and decision making structure is key to equity. The representation of excluded communities in the structures of decision-making and agenda-setting, and through new forms of partnership, is critical to ensuring equity goals are embedded in carbon reduction strategies.

Building in equity takes time. Engaging with distinct groups involves understanding their different motivations, needs, and barriers (e.g relating to costs, time, skills, agency, identity issues etc) and developing collaborative strategies to address them.

Government action is needed to ensure a fair distribution of the costs and benefits of carbon mitigation. Local initiatives can do a lot to promote equitable approaches but this does not diminish the importance of government action. This may involve, among other things:

- ensuring that the benefits of carbon reduction measures are fairly distributed, and the costs are financed through progressive means

- making available an appropriate and differentiated range of financial incentives, support and advice for different socio-economic groups and communities
- introducing energy efficiency standards for buildings and appliances
- placing social equity requirements (such as community benefit, ownership, living wages, hiring from disadvantaged groups, local sourcing etc.) for public investments in low-carbon infrastructure

Finally we suggest that practioners and policy makers use the following framework to assess the design and impact of low-carbon initiatives in relation to carbon reduction and equity criteria.

Carbon Reduction	Equity
<p>What are the carbon impacts of the project in relation to:</p> <ul style="list-style-type: none"> • Aggregate carbon reduction in tonnes and percentage decrease • Efficiency of carbon reduction i.e. tonnes of carbon saved per £ of investment). 	<p>What are the equity impacts of the project in relation to:</p> <ul style="list-style-type: none"> • Social and economic benefits (type, quantity and value) • Who benefits - financially, economically and socially from the initiative <ul style="list-style-type: none"> ○ e.g. from increased assets/wealth, dividends/interest, income, financial savings, jobs, training, energy security, health (eg from warmer homes) • Who pays - financially, economically and socially <ul style="list-style-type: none"> ○ e.g. through government grants/loans or private equity/loans; higher energy bills, regressive or progressive taxes, higher priced goods and services • Who decides - and who is involved in the decision making process¹

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¹ The framework is adapted from Policy Link which was initially developed in relation to Federal transportation policy in the United States. See Rubin, 2009.