

Remarks by Alex Salmond, First Minister, Scotland

Speech to the Central Party School Adam Smith and Climate Justice

Introduction

It is a privilege to speak with you this morning and to build on the ever growing sense of friendship, understanding and respect between China and Scotland.

That friendship has been strongly demonstrated in the last few days with the arrival in Scotland of giant pandas Tian Tian and Yang Guang.

Their arrival in Edinburgh, Scotland's capital, on Sunday, caused great excitement in Scotland and global media interest. Interest not only in the pandas themselves, but in China, Scotland and our growing friendship.

So it is a particularly appropriate week for me to be in China and to thank you for this very generous gift. I also had the honour of meeting with Vice Premier Li Keqiang yesterday to thank China for this gift and I was once again struck by his warmth and friendship towards Scotland.

This morning, as well as mentioning Edinburgh's two newest residents, Tian Tian and Yang Guang, I would like to reflect on the words and thoughts of an Edinburgh resident of the eighteenth century.

Adam Smith, the great Scottish philosopher and founder of economic theory is a man well known to your Premier, Wen Jiabao, whom, I am told, carries a copy of his work *'The Theory of*

Moral Sentiments with him wherever he travels, and who has himself quoted Adam Smith on many occasions.

This maquette of Adam Smith is a gift to you, the members of the Central Party School. It is the work of renowned Scottish sculptor, Sandy Stoddart, and was commissioned by a great friend of China, Sir Angus Grossart, specifically for my visit, and it is my pleasure to give it to you.

In my speech today I shall highlight the importance of Adam Smith's thinking for issues which confront us today.

In particular I will explore their relevance to the connected issues of climate change, development and renewable energy, and to the overwhelming case for climate justice.

For, just as it is an appropriate week for Scotland's First Minister to visit China, it is also an appropriate week to discuss the issues of climate change and climate justice, as 12,000km away in Durban, South Africa, these issues – and the impact of them on communities and nations around the world – are being discussed at COP17 – the annual UN talks on climate change.

You may wonder what Adam Smith has to do with climate change – after all it is a modern concern, and one which would have been very hard to anticipate in the eighteenth century – however I would like you to hold that question, for hopefully it will become clear!

Smith was one of the key figures in what is known as The Scottish Enlightenment, the 18th century period characterised by an outpouring of intellectual and scientific accomplishments

He lived at a time when Scotland was leading the world in thinking, innovation and invention – Scottish traits that continue to this day.

Indeed when Vice Premier Li came to Scotland earlier this year, he was kind enough to start his speech in the Great Hall of Edinburgh Castle by saying he loved to be in Scotland “the land of invention.”

For just as China was the leader of invention in the ancient world – paper-making, the compass, printing and deep mine gas for example - Scotland in the eighteenth century was a hive of invention.

Scotland, as a trailblazer in the industrial revolution, paved the way for development which brought millions out of poverty and established many aspects of the modern world. Just as China’s current economic progress has brought hundreds of millions out of poverty.

However unbeknown to Smith and his contemporaries, the key role of Scottish inventions in developing, for example, the pneumatic tyre, tarmacadam road surfaces, the steam engine, iron bridges and joint stock banking and countless other developments, also paved the way for the high carbon economy which has led directly to climate change. So we might well now argue that Scotland has a moral duty to do its utmost to tackle climate change!

Climate experts predict that if global warming exceeds 2 degrees catastrophic climate change is unavoidable – with a huge impact on our way of life, significant sea level rise, the consequential flooding of many low lying countries and areas, increases in climactic extremes of floods and droughts leading to many parts of the planet changing significantly from their current state – with huge scale migration, escalating food prices, potential conflict over resources, and increasing human misery the result. Depressingly the UN’s Intergovernmental Panel on Climate

Change feels that this change is now becoming 'very unlikely' to be avoided.

It was because of that concern that in 2009 the Scottish Parliament passed the Scottish Climate Change Act, with world-leading targets to reduce Scotland's carbon emissions by 42% by 2020 – from a baseline of 1990.

We did that for two reasons, one to set our own house in order, to be part of the solution not the problem, but also to lead by example. We realise that as a small country even a dramatic drop in our carbon emissions plays a small role in the global picture – but by leading by example we can show that it can be done – and that developed countries, as well as developing countries can lead the way.

Since passing this legislation we have sought to do two things – firstly to meet the targets, ambitious though they are, and secondly to encourage others to 'Share Scotland's Ambition'. In doing so we have sought to demonstrate, that despite carbon reduction bringing tough choices, it also brings economic opportunities. Scotland is a small country. We can only lead by example, only influence by technology and only achieve through invention.

The world cannot continue to depend on methods of power generation which involve high levels of carbon emissions.

But in addition to the clear environmental imperative for low carbon energy generation, there is also an energy security need. Relatively few countries have reserves of natural gas, for example, which is arguably the cleanest form of carbon-based electricity generation. But all countries have access to sources of renewable energy – whether the power source is solar, wind, wave, tidal or hydroelectric.

Scotland is exceptional in this regard. Even without our extensive reserves of coal and oil, I am fortunate enough to be First Minister of one of the most energy-rich countries in Europe. Due to our geographical position, it is estimated that Scotland has 25% of Europe's wave power, 25% of its offshore wind power, and 10% of its tidal power. Which isn't bad for a country with 1% of Europe's population.

These massive resources are combined with world-class academic research, a long experience of offshore energy production, due to our significant reserves of north sea oil, and a tradition of manufacturing and engineering which dates back to the 18th century.

That is why there has already been major investment in the renewable energy sector in Scotland. And it is why there is more than £40billion of investment to come over the next stage of renewable.

In China you have also championed renewables, with the largest onshore wind energy capacity in the world as well as the rapid development of solar power - indeed I am to visit Himin Solar Valley in Shandong tomorrow and look forward to discovering more about your developments in this field.

But in addition to renewable energy, we must also develop cleaner ways of burning fossil fuels, especially coal. The International Energy Authority has predicted that global demand for coal will increase by 73% between 2005 and 2030. A cleaner method of burning coal – especially through the use of carbon capture and storage – is potentially one of the greatest prizes of all if we are to successfully reconcile the competing demands of energy security and environmental awareness.

In Scotland, Scottish and Southern Energy and Shell have proposed to pilot carbon capture and storage technology at a gas-fired power station in Peterhead. Scotland's energy and engineering knowledge – and the existence of potential storage sites from old oil wells – makes it an ideal place for such a pilot.

For countries with a surplus of savings, although there is also a need to pay attention to domestic demand, there is a real investment opportunity in the international nature of this energy challenge.

Climate Change now

Reducing carbon emissions – mitigating the impact of climate change – is however an action to reduce climate change in the future.

Unfortunately climate change is a phenomenon affecting families, communities and individuals right now.

We are also seeing it impacting on poor communities, and developing countries the hardest. This is unjust for two reasons:

Firstly developing countries, and especially the least developed countries and the poorest communities within those countries – have done least to cause the problem – with very low historic and current levels of carbon emission.

Secondly, these same countries and communities are least equipped to tackle the problem. A family already living below the poverty line, or a country already struggling to tackle poverty, does not have the resources necessary to protect themselves from the consequences of climate change, and are less likely to have the existing infrastructure which can help.

UN figures show an exponential rise in the number of natural disasters in the least developed countries – with a five-fold increase in the frequency and intensity of extreme weather events in least developed countries since the 1970s.

Those extreme weather events – floods, droughts, cyclones etc, all have a huge impact on the communities they effect – and if that community does not have the resources to either protect themselves before the crisis, or the coping mechanisms to recover from it, then they are in very difficult place indeed.

It is not just disasters, it is also changing weather patterns, meaning changes to growing seasons which can cause huge problems for the millions of subsistence farmers across Asia and Africa. This injustice – where those least to blame suffer most – and those most to blame suffer least, must be rectified.

In the *Theory of Moral Sentiments*, the book so loved by Premier Wen and published in 1759, Smith talked about the impact of others suffering. His words are instructive. Smith said: *"As we have no immediate experience of what other men feel, we can form no idea of the manner in which they are affected, but by conceiving what we ourselves should feel in the like situation. Though our brother is on the rack, as long as we ourselves are at our ease, our senses will never inform us of what he suffers. They never did, and never can, carry us beyond our own person, and it is by the imagination only that we can form any conception of what are his sensations."*

This is a beautiful way of saying – use your imagination to understand the suffering of others. From that understanding comes compassion and action. Smith's theory was one of sympathy, empathy and solidarity.

Climate change exacerbates the vast gulf in resources which already exist across our planet, but it also gives us an opportunity. Climate change highlights our true interdependence and must lead to real change.

Climate change is the issue above all issues which illustrates humankind's interconnectedness across national boundaries. Climate is no respecter of border posts, cyclones don't turn back at passport control. In response we need a greater shared ownership of both the problem and the solution.

The actions individual nations, or groupings such as the EU, take to reduce emissions are a critical part of the solution. However, we can only succeed in avoiding irreversible climate change if we act collectively to reduce global emissions. And for that we will need a legally binding global agreement covering all major economies. The climate change talks continuing in Durban won't be able to deliver such an agreement immediately, but it's important the meeting provides a clear signal that major economies are committed to this objective.

Climate Justice

Climate Justice is what is required - linking human rights and development, putting people at the heart of our economic system, and allowing all to share the burdens and benefits of climate change and its resolution, and to do so in an equitable and fair way.

Those who have benefitted and still benefit from emissions in the form of on-going economic development and increased wealth, mainly in the industrialised countries of the west, have an ethical obligation to share benefits with those who are today suffering from the effects of these emissions, mainly vulnerable people in developing countries. People in developing countries must have

access to opportunities to adapt to the impacts of climate change, and not be told to 'do as I say, not as I did' by the rich and powerful developed countries.

This reflects the views of both Adam Smith and Premier Wen. When he lectured at Cambridge University in 2009, Premier Wen quoted the *Theory of Moral Sentiments*, speaking especially favourably of the view *“that if the fruits of a society’s economic development cannot be shared by all, it is morally unsound and risky, as it is bound to jeopardise social stability.”*

In writing this Smith, it could be argued, deployed the concept of enlightened self interest. It is a theory that is as sound at a global level as it is at a village level. It is in our interest to ensure the wellbeing of all society. Climate justice is therefore very much a win win situation - whereas man-made climate change is a lose-lose.

We should also not forget the gender dimension to this issue, as it is clear that women suffer more than men. Just as it is women who make up the majority of the world’s poor, it is women who have to walk further to gather water, when drought encroaches, it is women who are the first in a family to go without food when food prices rise and it is girls when, if a family is tipped into poverty due to climate change, who are the first to be pulled out of school having a drastic knock on effect in their future life chances.

In Scotland whilst leading the way in climate mitigation, via our ambitious emission reduction targets, we are also keen to point the way to climate justice – but we are even keener to do that in partnership with great nations such as China.

If I may give a few examples of our work in this field to date:

In 2009, at that year's UN climate talks in Copenhagen, Denmark, I met with President Mohammed Nasheed of The Maldives to sign a statement of cooperation. The Maldives, as the world's lowest lying island group, is of course acutely aware of the impact of rising sea levels brought about by climate change. They are also setting their own house in order, and have the ambition of being the first carbon neutral state by 2020. Scotland has assisted by producing, with its publication in August this year, a report into developing The Maldives' potential for marine energy.

This was produced by the Centre for Understanding Sustainable Practice at Robert Gordon University in Aberdeen - Scotland, and Europe's, Energy capital. It looks at both the technological and socio-economic dimensions of deploying marine renewable in the future energy mix, with a focus on assessing the suitability of the conditions and natural resources in the waters around the Maldives for producing marine energy.

My government is also working with Malawi in Southern Africa. At last year's UN climate talks in Cancun, Mexico, Ministerial discussion highlighted the Government of Malawi's target of increasing electricity access in Malawi from 8% to 15% of the population by 2015. Scotland is assisting through an innovative Community Rural Electrification and Development project, aimed at improving the sustainability of rural solar panel deployments in Malawi – with an eye not only to environmental sustainability but also income generation.

I won't dwell on the detail of the ongoing discussions in Durban – except of course to highlight my hope that they will witness a collective global raising of ambition on both climate change mitigation and climate justice. However I was struck by the support of China, other developing countries and NGOs, for increased climate finance out of these talks. They have stressed that the current economic difficulties facing many countries should

not stop us understanding the requirement for finance for climate adaptation.

For finance to assist communities to adapt to the changing climate is essential. Mitigation, although hugely important is not enough on its own – we need to put in place the resilience for communities to deal with the climatic changes that are already apparent. That will involve both large scale action but also a myriad of community level initiatives – for example villages can be raised above flood plains, early warning systems for sudden onset disasters can be provided, drought resistant seeds can be used.

That is why my government – at the Scottish elections earlier this year – committed itself to coordinating the establishment of a Scottish International Climate Adaptation Fund. Finance will make all the difference – sometimes a life or death difference - to the world's most vulnerable communities. The Scottish Fund will be tiny in terms of the scale of the global challenge, but it will be climate justice in action and it connects directly to the teachings of Adam Smith.

Adam Smith is better known for his book *The Wealth of Nations*, the foundation text for the science of economics, than for *The Theory of Moral Sentiments*. Smith's economics were founded on his moral philosophy. Many today do not understand that, but Premier Wen Jiabao most certainly does and the importance these theories have for the progress, indeed the survival of the planet.

So when students of the Central School see this makette of Adam Smith, remember his vision and compassion, and the lessons of sympathy, empathy and solidarity that it has for us all.

SHEE-YA SHEE-YA. [*Thank you.*]