

The Importance of Governance to Innovation: a Theory of Managed Transitions

Theorising Governance Change
Innovation and Governance Workshop
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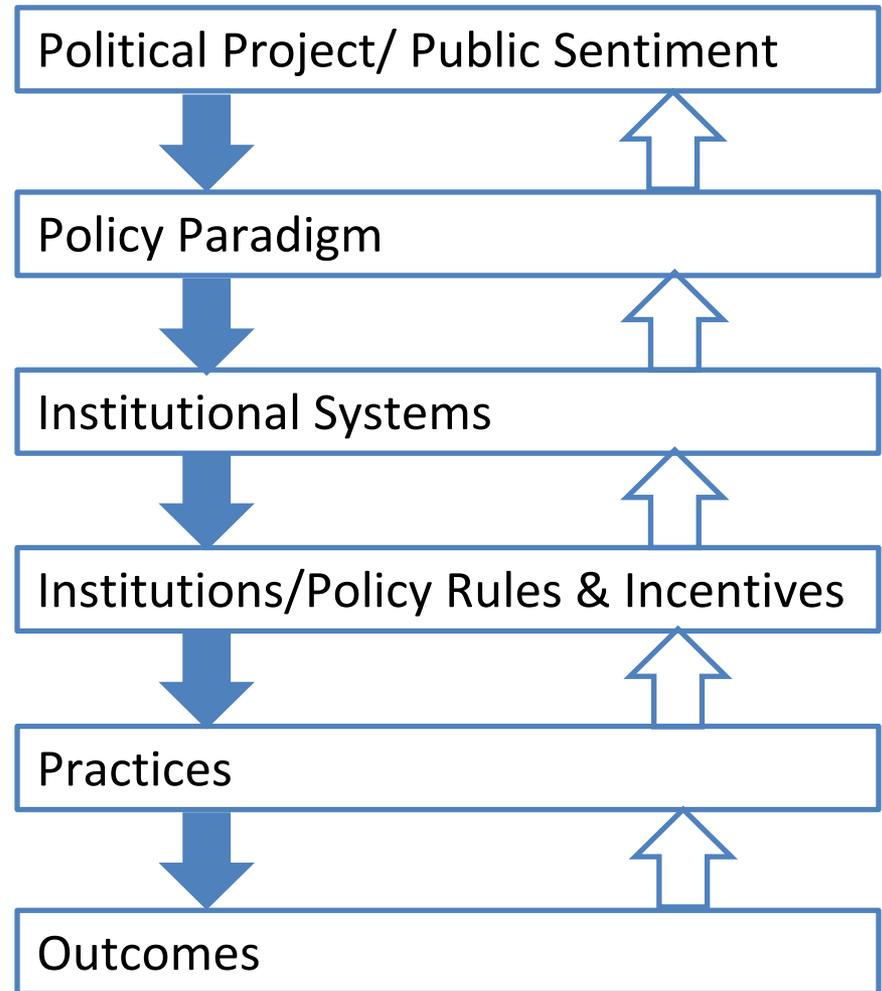


New Thinking For Energy



Introduction to IGov approach

- Transition to sustainable energy system understood as a **managed** transition
- Key to is ***governance*** = rules and incentives, or institutions shaping ***innovation*** in ***practices and outcomes***
- Rules of the game evolve in ***political*** context shaped by stakeholders in energy system
- UK focus, but draws on ***comparative analysis***



What a Theory of Transition Still Needs

- More specific understandings of how the politics of energy are constituted within different contexts and how this relates to rules, incentives and outcomes
- A clearer understanding of how and why energy governance **changes** in different ways to address climate change mitigation – i.e. how transition policy relates to other areas of policy
- More of a focus on the role of various actor groups, how they inter-relate with:
 - one another
 - with political institutions
- A greater linking together of structures, agency and practices and outcomes

Political Institutions

- **Policy Paradigms and Narratives**

- Narratives, based on paradigms, influence policy decisions and structures – at times of change and of relative status quo
- New knowledge about climate change can be seen as one narrative driving energy governance change – but there are other competing narratives: security, affordability and growth
- These also compete with existing policy paradigm (neoliberal)
- Policy paradigms (winning narrative) influences: **objectives**, instruments, rules/regulations, structures of governance +
- Policy paradigms interact with public sentiments

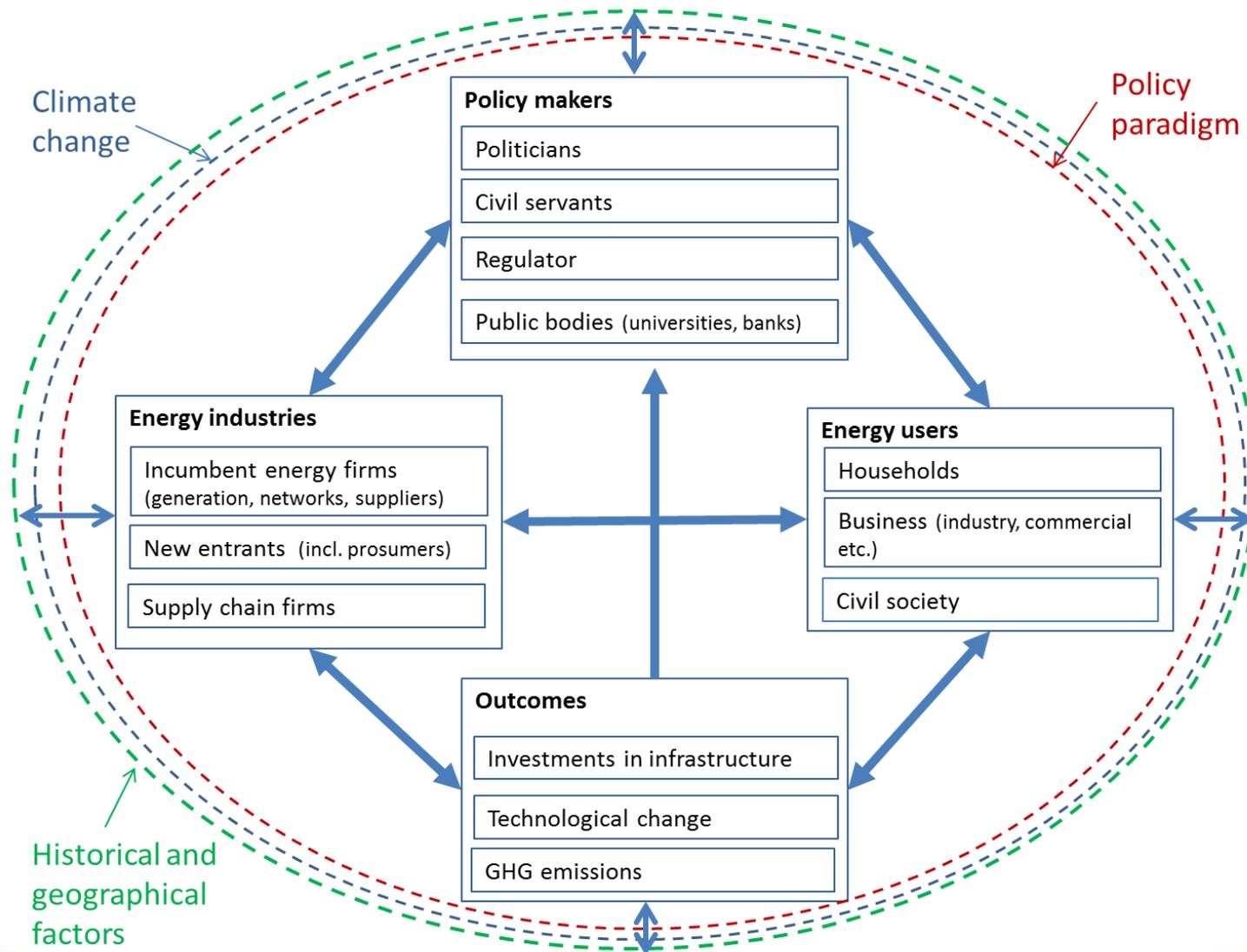
- **Models/Varieties of Capitalism - Comparison**

- Different approaches to energy governance explained by:
 - Co-ordinating (i.e. Germany) and liberal/communicative (UK)
 - Related to electoral systems in place and related institutions/communication
 - Public sentiment important – support for type of change

Historic and Geographic Factors

- Following STT literatures:
 - include other areas – geographical and historical factors
 - distribution of fossil fuels historically important: embedded usage patterns and infrastructures can blind actors to new technologies
- Politics and energy infrastructures:
 - Indigenous resources important given divisions between sovereign states: different security, economic implications
 - Nuclear power: countries with an historical interest in military uses tend to have more established nuclear power
- All of these interactions shape low carbon transition:
 - imply greater power for certain lobbies over others
 - nuclear over renewables as low carbon
 - CCS as an important part of pathway (fossil fuels)

Actors and Agency



Transitions and comparative analysis

- **Transition**

- Sustainable energy practices and investments have to be profitable...but at same time politically acceptable to energy users
- Inclusive rather than exclusive institutional arrangements
- Dominant policy paradigm values sustainability
- Policies designed so as to realise economic and political spillovers

- **Comparative analysis**

- Countries with deep-rooted neo-liberal policy paradigm and with more market-based economic institutions likely to have slower transition
- Fossil-fuel based lobbies slow transition; nuclear lobbies shape/distort transition

Tentative Conclusions

- Framework tells us **how and why** interactions between policy makers, energy providers and energy users result in certain outcomes
- These interactions are conditioned by **the nature of** political and institutional configurations: policy paradigms and historical and geographic factors
- In combination they result in differentiated transitions in different contexts – some more effective than others and the framework helps to explain why