

# Governments, Governance and the Transition to a Low Carbon Economy

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# The Economic Case

The Stern Review changed the political landscape by arguing that the costs of action (especially with international cooperation and early action) could be significantly less than the costs of inaction.

Key policy prescriptions:

1. the pricing of carbon through taxes, trading or regulation
2. support innovation & deployment of low carbon technologies
3. the removal of non-market barriers.



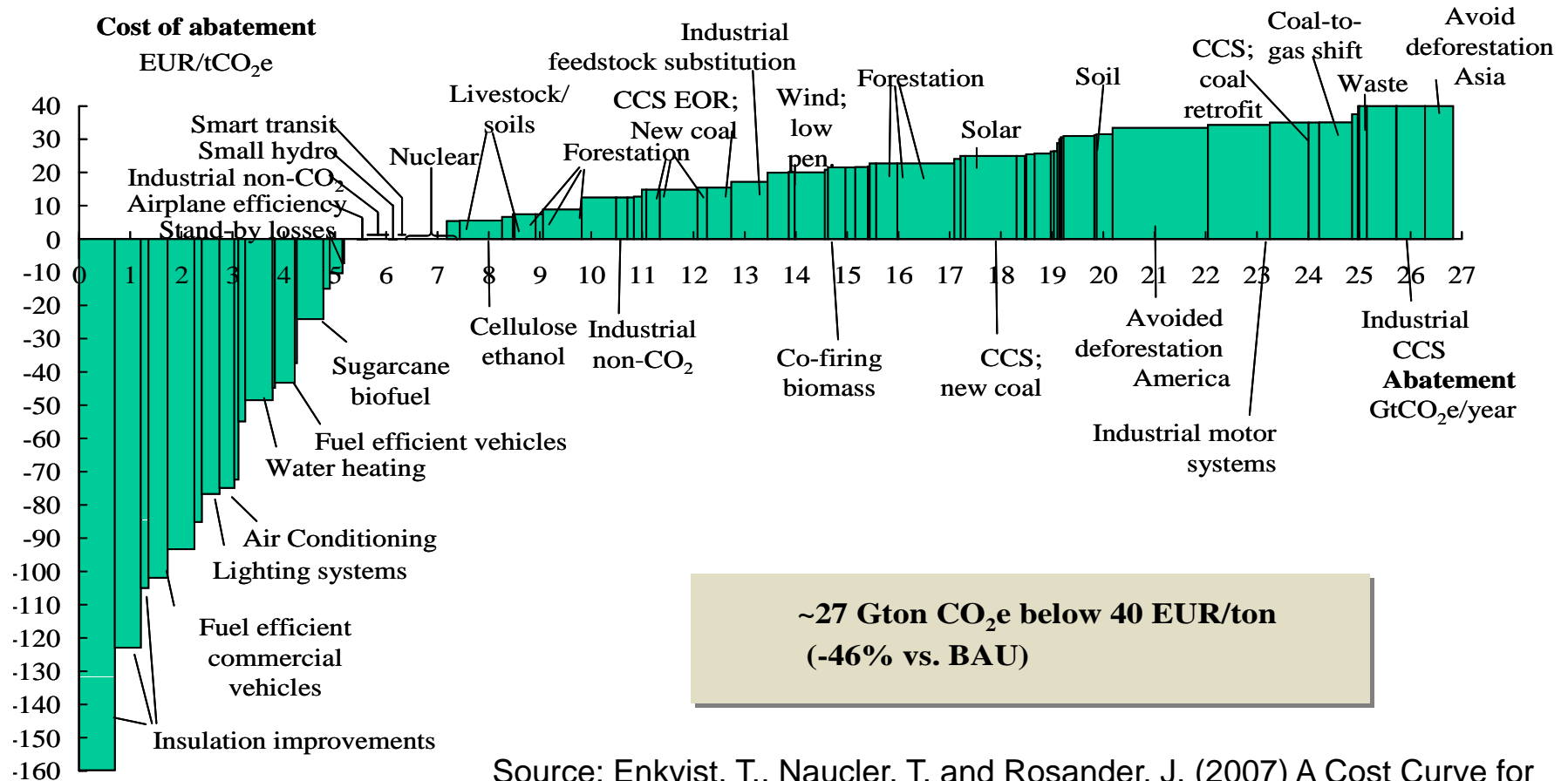
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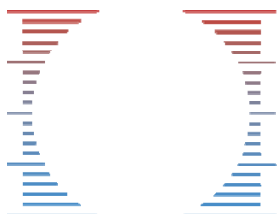
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# Economic and Technological Optimism

2030



Source: Enkvist, T., Naucler, T. and Rosander, J. (2007) A Cost Curve for Greenhouse Gas Reduction, McKinsey Quarterly, February.

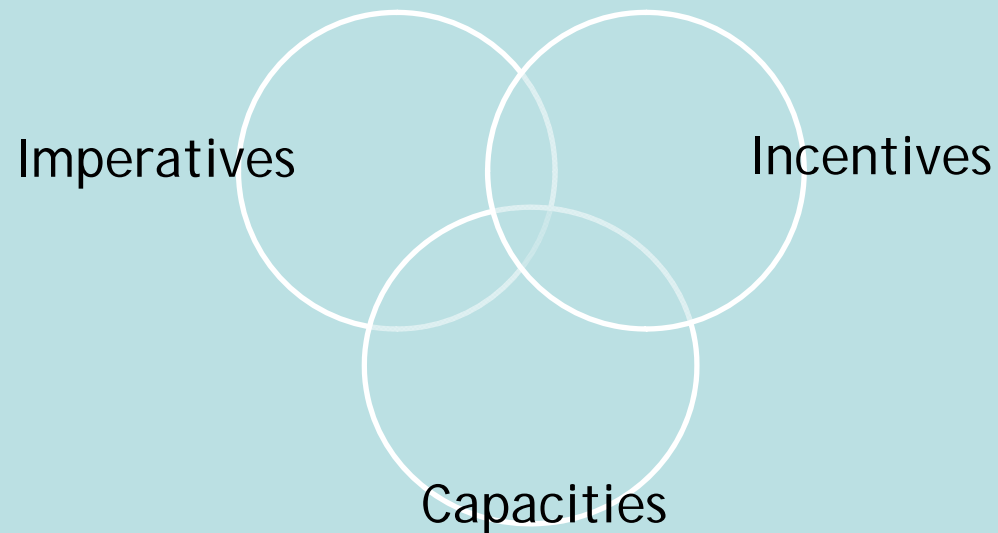


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# The Complementary Policy Mix



Note that without appropriate capacities, higher incentives and tougher imperatives will be needed to drive change.

Note that the significance not only of purposive governance frameworks but also wider governance regimes.



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# The Changing Role of the State

From provider and controller to facilitator, enabler, encourager

From big to small government?

From government to governance

From governance to meta-governance?

- Not rowing but steering, not steering but pointing

Governance...

- through the state
- through markets
- through civil society
- of the self

Multi-level, multi-actor, network-based processes



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## Research Focus

A bottom-up evaluation of the governance factors that shape the carbon intensity of business, including both ex-post and ex-ante evaluations.

Focus on governance issues affecting supermarkets in the UK, including their supply chains.

Emphasis on some key governance processes -

- self governance (leadership, management capacities)
- governance through markets (investors, business to business, customers, sectoral dynamics),
- governance through civil society (NGO relations, media relations, social values)
- governance through the state (enabling instruments, responsive approaches, regulator of last resort)



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# Specific Research Questions

When, where, under what conditions did these forms of non-state governance emerge

Who participated in the process, who had the power to frame the issues, set the objectives and to design/operationalise these forms of governance

What were the objectives of the governance process - stated and unstated

Who did the governing, who was governed, who were the key stakeholders

How did governance take place - what were the institutions, instruments etc

What were the direct and indirect effects, evaluated against different criteria

How were the outcomes distributed between actors and over time, who were the winners and losers

What were the learning loops, how much and what forms of learning took place and where

When, where were the limits encountered, what prevented further progress

What more could be done to facilitate learning, accelerate progress, and how far could this take us.

