P3.2-5 Governments, Governance and the Transition to a Low Carbon Economy

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The critical role of governance mechanisms is to translate the transition to a low-carbon economy and society into appropriate incentives for different stakeholders. In an economic case, the Stern Review changed the political landscape by arguing that the costs of action could be significantly less than the cost of inaction and by politically prescribing 1. the pricing of carbon through taxes, trading or regulation, 2. support innovation and deployment of low-carbon technology, 3: the removal of non-market barriers.

A complementary policy mix combining imperatives and incentives with capacities requires higher incentives and tougher imperatives to drive change toward a green economy model when the appropriate capacities are absent. A change in the role of government from provider and controller to facilitator, enabler and encourager is also required in a context where governance issues are interpreted as multi-level, multi-actor, network based processes involving the political, economic, and civil society spheres. To make it change, researches are needed to promote the transition to a low-carbon economy with the changes of the role of governance in such areas:

- 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, including their supply chains; and
- Emphasis on some key governance processes; self governance, governance through markets, through the state and through civil society.