

## **Financing energy transition: Actors, instruments, and territories**

Workshop organized by UMR ART-Dev<sup>1</sup> & INTEERface<sup>2</sup>

To be held in Montpellier, France

19th and 20th September 2022

Over the last decade, energy transition has emerged as a major priority for public authorities at national, regional, and global scale. To engage this transition and achieve net zero emissions by the mid century, decision-makers have set up dedicated or « green » investment and public funding:

- Recovery plans set up in 2020 and 2021 by various States and regions dedicate an important share of their financial resources to energy and ecological transition (30% for the NextGenerationEU Recovery Plan).
- ‘Old’ public subsidies to companies or local authorities are increasingly turning green.
- Feed-in-tariffs and Contracts for difference have contributed to scale up the deployment of renewable energy installations and have contributed in turn to the declining cost of renewable energy devices like solar panels and wind turbines.

Herewith, an increasing share of public resources flows to energy transition’s priority: renewable energy and heat (photovoltaic, biomass, wind turbine, hydrogen, etc.), clean transport, building renovation, agroecology, decarbonized industry.

So far, this green financial turn has been largely analysed from a top-down perspective. Experts and academics focus on aggregated financial needs to achieve climate objectives (Buchner et al. 2019; Ledez and Hainaut 2020). Most of them identify an important « financial gap. » They recommend several solutions, from a radical transformation of the monetary policy to an increasing effort to « blend » public and private funding, that is, to mobilize public resources first and foremost to leverage private capital.

By contrast, the concrete implementation of green (public) investments and funding is hardly ever studied. This workshop endeavours to fill this « academic gap » by analysing these investments and funding in the making to better understand how they flow from « investors » to « investees » (Feher 2017). The workshop will be open to social scientists from different disciplines, including economy and political economy, sociology of finance and fiscal sociology, economic geography.

Delineating the rationale, achievements and constraints of diverse green investment and public funding schemes in different countries and regions, we will make visible the diversity of energy transition policies and paths engaged.

We will be particularly interested in three different and complementary thematic axes.

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<sup>1</sup> <https://art-dev.cnrs.fr/>

<sup>2</sup> <https://inteerface.cirad.fr/>

## **The making of green (public) funding.**

(Public) capital does not flow spontaneously from investors to investees. Indeed, investors often complain about the lack of « good » projects, whereas investees express concern about the lack of funding. Capital allocation relies on daily political and administrative work.

First, in the name of the energy transition, different groups of actors (political parties, lobby groups, unions, associations) push for renewing or reforming the existing financial and budgetary structures, for example, by reallocating public resources from high-carbon to low-carbon industries. This axis will analyse struggles and trade-offs in and outside the State, framing green funding's extraction and allocation (Martin et al. 2009; Bezes et Siné 2011). This starts with the struggle over drawing political and social boundaries to energy transition: what are the sectors and technologies and who are the actors qualified and legitimate to receive green funding?

Second, we will pay particular attention to daily allocation of green funding and green funding bureaucracy. From the treasury to investees, public funding flows through financial circuits (Chiapello 2020), connecting many intermediaries (administrations, agencies, financial institutions, local communities, associations, companies, etc.) located at different scales (national, local), in different sectors and industries. Focusing on these intermediaries and their instruments (Lascoumes and Le Galès 2007; Kassim and Le Galès 2010), the first axis will address the issue of green public funding's governance.

## **Green (public) funding's territorial landing**

The second axis will be devoted to the social reception and the territorial distribution of green funding.

In the last decades, many observers have been noting an increasing territorial polarization (Kuhn 2015) which « spatializes » a more general deepening of social inequalities (Piketty 2014). The most extreme effect is the polarisation between « superstar cities, » which attract mobile social groups and public and private investments, and « left-behind places, » which lose their active populations and attract less public and private investments (Kemeny and Storper, 2020). This polarization is reinforced by the environmental crisis (Laurent 2011). Will the shift toward green investments promote the *status quo* by strengthening the metropolis to the detriment of peripheral places, or will it mitigate the spatial polarization? To address this important issue, we will pay attention to all the dimensions (political, economic, geographic, social, and cultural) allowing left-behind places to appear attractive or repulsive to green funding

In addition, this axis will deal with the diversity of social, political, and economic local uses of green funds. Investees are not passive actors. On the contrary, they are engaged in diverse strategies to attract and « territorialize » these funds, that is, to turn green funds into a local resource and a territorial innovation (Cointe 2018; Nadai and Cointe 2020). Who are the local

beneficiaries of green funds? What (social, economic, political) resources do they mobilize, and what additional resources do they reap? Finally, green funds' reception does not come without controversies and contestations. To what extent does green financing recompose social movements? Conversely, how do social movements influence the governance of green funding?

### **Energy transition as an austerity policy ?**

Recent works highlight a revival of public investment from the mid-2010s, particularly for industrial policies (Mazzucato 2015; Bulfone 2020). However, these investments do not take the form of post-war investments, both from the point of view of the macroeconomic logic into which they fit and from the point of view of the instruments and modalities of their implementation (Mertens, Thiemann, Volberding 2021). Indeed, in the age of austerity (Schäfer and Streeck 2013), they have to deal with high fiscal and budgetary constraints (Quinn 2017). To solve this contradiction, that is, to increasingly invest with an increasing fiscal discipline, actors promote “innovative,” “blended,” and “off-balance-sheet” public policies (Mertens and Thiemann 2018): sovereign wealth fund and development public institutions, public-private partnerships, public guarantees, etc.

However, what about green funding? Is the energy transition a contemporaneous austerity policy (like the other ones)? On the contrary, does it entail a profound revision of macro equilibrium, debt and budgetary rules? Given the radical turn called and announced by energy transition promoters, it is worth looking seriously at its (potential) translation into public finance and budget structure.

Contributors are invited to submit an initial proposal of up to 800 words (plus references). These proposals should be sent by email to the organizers [antoine.ducastel@cirad.fr](mailto:antoine.ducastel@cirad.fr) and [camille.riviere@ehess.fr](mailto:camille.riviere@ehess.fr) by 20th March 2022. Please indicate which of the three thematic axes you aim to contribute to when submitting your paper. Moreover, your proposal must include a title, research question, and brief indication of the data and methodology.

Authors will be notified by April 2022, whether or not their proposal has been accepted. Accepted authors are required to submit a full paper (maximum 12,000 words) by August 2022. A limited number of grants will be available to cover travel and residence costs (further details after acceptance).

We plan to publish the contributions in a special issue for a journal, such as a Climate policy, Energy policy or Global Environmental Change.

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