





# Session 4 (Co-hosted with the Danish Energy Agency) Strengthening Institutional Ownership of LTES: Insourcing vs. Outsourcing

Tuesday, September 10, 2024 09:00 - 10:30



## SCENE SETTING: STRENGTHEN INSTITUTIONAL OWNERSHIP OF INSOURCING VERSUS OUTSOU

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### Algorithms, data & democracy

The ADD project aims to advance digital democracy through interdisciplinary research, outreach activities, and knowledge brokerage



## INSOURCING VERSUS OUTSOURCING: WHY D MATTER?











#### THE CURRENT CONTEXT: GOVERNMENTS' PERSPE

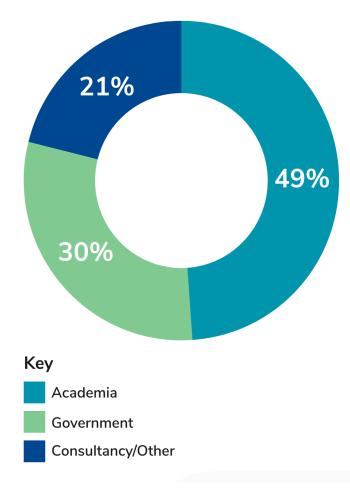
- 1. New responsibilities post Paris Agreement (Faulkner, 2016)
  - a) Nationally Determined Contributions and updates (Tobin et al., 2018)
  - b) Renewable energy strategies
  - c) Carbon neutrality legislation
- 2. Time constraints (e.g. IPCC, 2018)
- 3. 'Radical' uncertainty across environmental, technological, policy, finance and market contexts
  - a) New coordination demands across sectors and departments (Christensen et al., 2019)
- 4. Financial constraints and hollowed -out state capacity (Mazzucato and Collington, 2023)
- 5. Prevailing public versus private sector ideas (Mazzucato, 2013)



#### THE CURRENT CONTEXT: MARKF Figure 1: UK energy models by host **DEVELOPMENTS**

- Growing private sector market for climate services (Christensen and Collington, 2024)
  - 2023: \$48.9 billion spent on climate advice globally (Balch, 2024)
- Dominance of multinational consultancy 2. firms (Christensen and Collington, 2024)
- Firms actively engaging in marketing 3. strategies to capture new growth (Mazzucato and Collington, 2023)
- Lock-in effects of outsourcing (e.g., ESG 4. frameworks)

organisation



Source: Strachan and Li, 2021



#### CHALLENGES WITH OUT

- Short-term versus long -term cost effectiveness in outsourcing decisions
- Knowledge transfer issues 2.
- Accountability and public trust risks 3.
- Conflicting interests?

#### Climate crisis

Scott Morrison's net zero modelling reveals a • This article is more than 2 years old slow, lazy and shockingly irresponsible approach to 'climate action' Ketan Joshi

The modelling was delayed until the final Friday of COP26 to avoid embarrassment. But it's even worse than expected • 'Pure spin': experts pan Coalition net-zero modelling that allows gas

sector to grow

Fri 12 Nov 2021 23.20 CET

#### McKinsey advising on net zero modelling limits transparency: Labor

Hannah Wootton Reporter

Nov 16, 2021 - 3.48pm

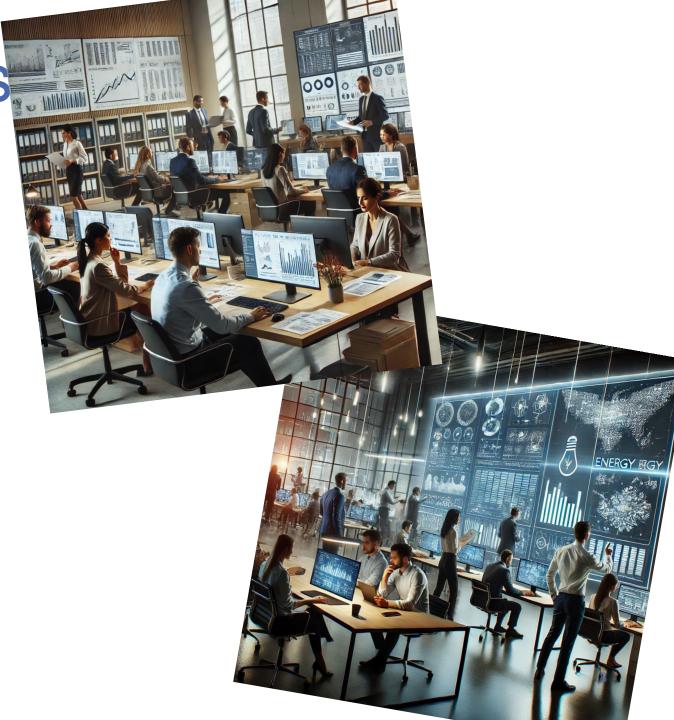
The Morrison government hired McKinsey for \$6 million worth of work on its net zero economic modelling because consultants could be paid "to do their bidding" whereas "there's no way" public servants would have signed off on the <u>controversial emissions reduction plan</u>, Labor MP Julian Hill says.



CHALLENGES WITH INS

High costs of establishing in -house capabilities

- 2. Recruitment
- 3. Collaboration beyond government





#### PRACTICAL SOLUTIONS AND OPPORTUNITIES

- 1. Mandate knowledge transfer in contracts
- 2. Improve conditions and benefits for LTES positions
- 3. Rigorous assessments of partners' conflicting interests
- 4. Invest in public sector capabilities
- 5. International support and peer -to-peer resources

Building public trust in government responses to the climate crisis through capable, innovative and democratic public institutions.



# THANK YOU

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