

# **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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Fifth International Forum on Long -Term Energy Scenarios (LTES) for the Clean Energy  
Transition

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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?

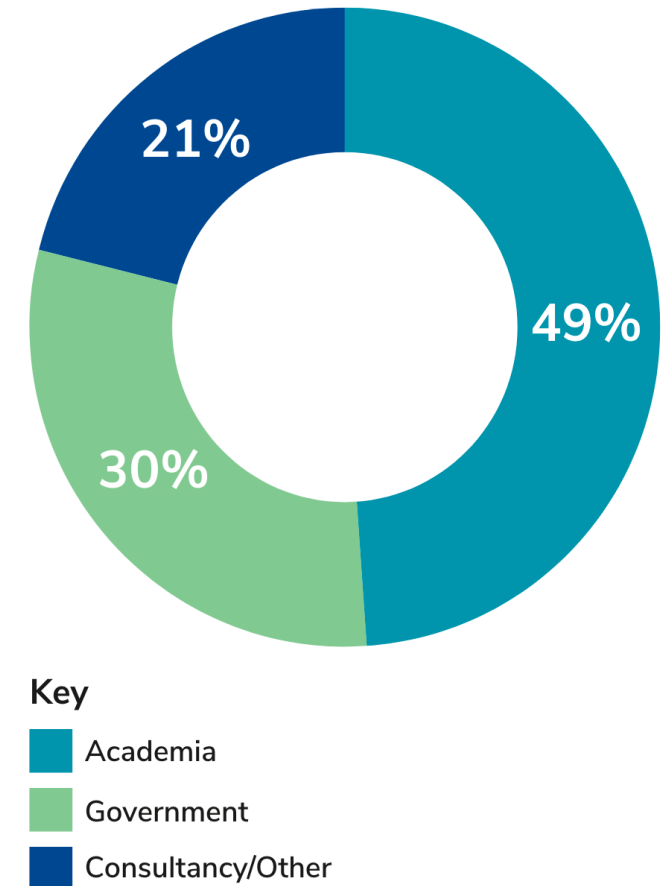
# THE CURRENT CONTEXT: GOVERNMENTS' PERSPECTIVE

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: MARKET DEVELOPMENTS

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

Figure 1: UK energy models by host organisation

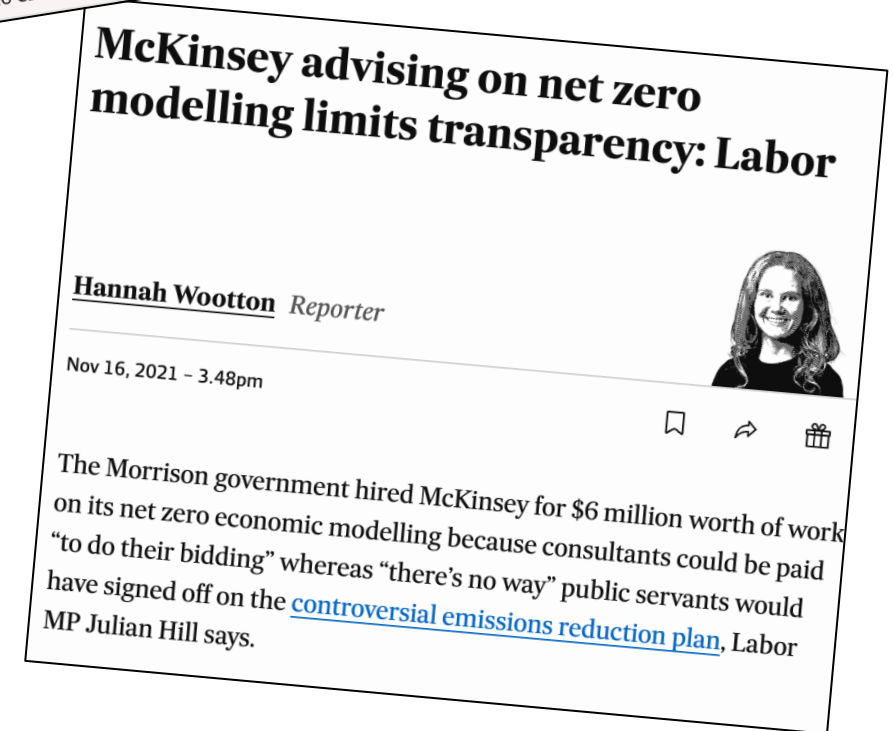


Source: Strachan and Li, 2021



# CHALLENGES WITH OUTSOURCING

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



# CHALLENGES WITH INS

1. 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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