

Cities as practitioners of energy transition: aspirations in Europe

European cities are perceived by EU states and supra-state bodies as critical to the skills, knowledge and investment which drive innovation and sustainable economic activity. In the context of liberalised markets, recession and reduced public finances, they are looked to for leadership in transition to sustainable energy. A progressive politics asserts that city authorities can combine their resources to improve quality of life for all Europeans through leadership in transition to resilient, secure, low carbon energy services. This view is exemplified in transnational networks such as the EU Covenant of Mayors whose signatories set ambitious targets for energy efficiency, reduction of CO₂ emissions and clean energy production. In theory such networks can work to craft a consensus between different interests, in a depoliticised public sphere, where transition roadmaps and scenarios provide a common framework. Municipal authorities are depicted as having multiple, complex roles as political mobilisers, enablers of strategic partnerships, intermediaries joining up policy across functions and sectors, brokers of knowledge and divisions of labour, coordinators between arenas and levels of governance, upholders of the public interest in equitable services and standard bearers for good governance. There are however questions about their ability to be agents of a progressive energy politics, given the political-economic context.

Regulatory frameworks, capital accumulation and differential city governance capacities

Renewed emphasis on the agency of cities raises questions about the degree to which all cities share common governance skills, capacities and expertise. Both Gothenburg and Glasgow for example aspire to public recognition for achievements in sustainable resource use, and are in many ways similar urban locales. Their political economy and energy infrastructures are however very different: Gothenburg has publicly-owned district heating systems which supply more than 80 % of total heating demand, much of which is already low-carbon; Glasgow has high levels of fuel poverty and is reliant on centralised, privately-owned, gas and electricity production dominated by fossil fuels, delivered through the national grid and mains network. Sweden has had a long-standing social-democratic tradition of equity in public services, with strong municipal authorities and energy services integral to communal welfare provisions. The UK has weak local government, and a centralised 'command and control' model of energy supply, in a complex market framework, with individual consumer choice of, mainly transnational, suppliers.

These differences between Gothenburg and Glasgow stem more from qualities of the regulatory regime than from specific qualities of each city: a key difference between EU states is in the contrast between a framework for municipally-controlled energy services and a framework for liberalised, trans-national, energy markets. In the former case, municipal authorities have been unified providers of utilities, alongside other welfare services. Direct regulatory power and operational control over local energy services have been particularly well established in Sweden, Denmark and Germany. In the UK, the privatised energy market is dominated by vertically-integrated firms, whose priority is to maximise shareholder returns on investment. Municipal authorities lack experience in managing energy services, and typically perceive themselves as having little or no responsibility as providers. Convergence across the

EU around liberalised energy markets is now resulting in diminished municipal (and state) control of energy prices, investment and supply. Privatised utilities have thus increasingly become key actors in multi-level governance of EU energy transitions, while mergers and acquisitions have simultaneously resulted in their reduced accountability at local level.

Liberalising Energy Markets and Localising Energy Transition

The dominance of neo-liberal political economy since the 1980s has been associated with emphasis on global economic competitiveness of states, rather than social equity and welfare. In these circumstances, cities are positioned differentially in EU member states which devolve different degrees of responsibility and/or resources; their economic fortunes depend at least in part on their capacity to command resources valued by the central state in its competitive strategies. Cities may be ‘showcases’ for transnational capital over which they have little control, and/or competing (rather than collaborating) players in a global competition for growth. Energy systems may be treated solely as a vehicle for economic growth and as a key to increased command over scarce natural resources, rather than as a source of common good.

A double move is therefore taking place in energy services, with liberalisation stimulating transnational concentration of suppliers, while public policy seeks to devolve more responsibility to local levels for catalysing energy transition. Liberalisation however constrains local powers, requiring new forms of market-oriented governance through public-private partnerships and contracting. If cities are to govern energy transitions after market liberalisation, their public authorities must be able to handle strategic energy planning, as well as negotiating and managing energy contracts, including complex EU procurement and competition rules, enforce energy efficiency and quality standards, and audit performance. Heightened emphasis is placed on skills of political persuasion, influence and mediation, rather than governing through statutory control. This raises questions about the capacity of municipal authorities to govern effectively in systems where established and accepted rules, procedural norms and organisational capacities are limited. Cities work under constraints not of their own choosing, and may, or may not, try to lever resources to further a politics of social justice. They are tacitly encouraged to draw boundaries around what they are, and are not, responsible for in relation to emissions and energy. Aspects of sustainability which can be aligned with other priorities (particularly growth) are likely to be favoured, while others are marginalised. The optimistic discourse of progressive governance through horizontal transnational networks, such as that exemplified in the EU Covenant of Mayors, may therefore be swimming against the tide of global finance capital.

Contrasting models for transition: RC-UK ‘Heat and the City’ Research

Where does this leave smaller cities? Can they emulate ‘global cities’ such as London or will they be relatively marginalised? Our research on transition to sustainable heating focuses particularly on Edinburgh and Glasgow, in comparison with other northern European cities. Both have plans for decentralising energy services as a means to secure resilient and affordable supply, although they have different strategies for transition. Glasgow has a top-down approach involving partnerships between council, university, government and businesses and aims to draw in international investors. Edinburgh has a more dispersed approach with partnerships between council, social enterprise, businesses and community groups. The research examines what forms of local leadership and investment in sustainable heat systems

will prove feasible, and what social, political and economic settlements will emerge. It begins by exploring European successes and failures in sustainable heating, particularly in relation to heat networks, in order to produce a preliminary blueprint for successful development in the UK context. We are examining the interactions between local authorities, business and residential communities, and global finance and expertise. We aim to understand how new communities of practice can be formed around sustainable heating, how their participants shape the resulting energy services, and the distribution of associated costs and benefits, and what scope there is for municipal leadership.

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