

External funding, collective action and transformative change: Crowding out of intrinsic motivation for social and governance innovation? Insights from the context of Leon

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The European Commission has committed to making Europe carbon-neutral by 2050, while leaving no region or person behind in the process of change. This implies the phasing out or transformation of a range of carbon-intensive industries, with significant implications for the territorial development of the areas and regions where they are based. The EU Just transition fund was developed to help off-set some of the negative impacts of such processes of decarbonization by providing targeted funding aimed to catalyse and support innovation that enables a shift towards less carbon-intensive pathways for territorial development, while leaving no one behind.

Social and governance innovation are arguably essential for stimulating inclusive transformative change, such as the one called upon by the European ambitions of achieving both ecological and social justice for all. Both, however, are most often driven by intrinsically-motivated collective action that pushes the boundaries of existing systems towards alternative modes of relating with people and nature as a basis for change. External incentives, could arguably lead to the crowding out of such intrinsic motivation. Therefore, it remains unclear whether and if so under what conditions external funding such as the one provided by the EU JT Fund could stimulate social and governance innovation for transformative change.

The study explores this question in the context of Leon and specifically the former coal-mining areas in the region, which are eligible to receive funding from the EU Just Transition Fund. We employ a qualitative research approach involving semi-structured interviews, focus group discussions, and some elements of ethnographic research involving a range of communities from across the region. The findings suggest that structural barriers to accessing EU funding make them inaccessible to small-scale grassroots initiatives that are driving social innovation across the region, thus discarding the danger of the crowding out hypothesis. Taking a broader, multi-level governance perspective of social innovative, however, allows us to also explore the impact of EU funding on stimulating governance innovation, a question that generates a much more nuanced response and draws attention to the role of politics, context-specific governance structures and personal values as critical factors mediating the relationship between external funding and transformative governance change.