

Low-carbon transformation and political strategy

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Technological pathways to low carbon: Competition and collaboration between Europe and emerging Asia

Bonn, 7-8 April

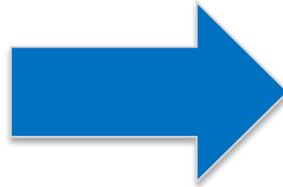


New Thinking For Energy

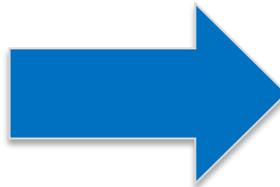


Political challenges of low carbon transformations

Environmental imperative means transformation is (largely) policy-led not market-led



Low carbon products offer the same services as high carbon predecessors



Climate change is a relatively weak environmental driver of politics

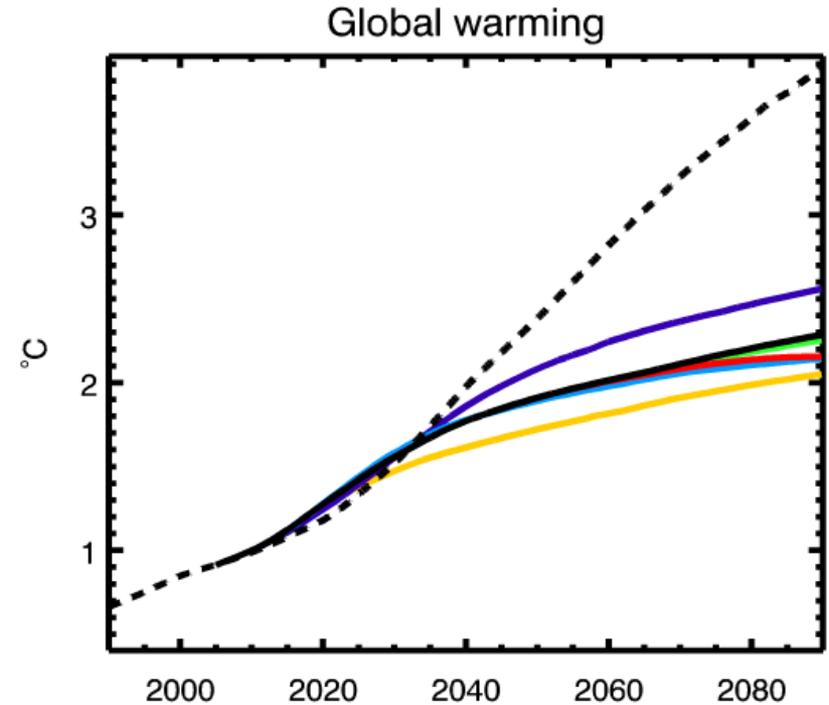
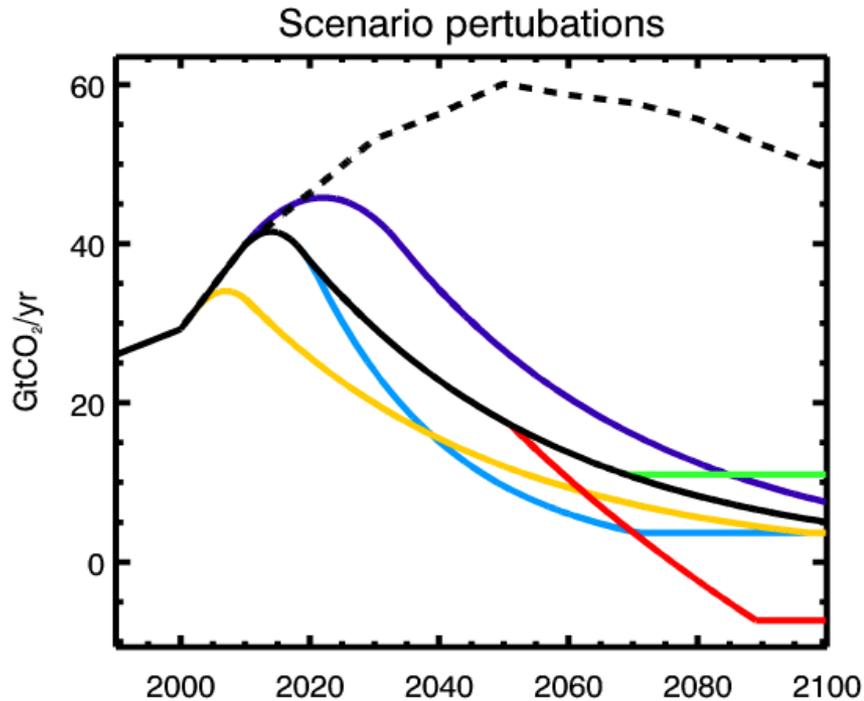


Contrast with local air and water pollution in China where protest has led to policy change



Urgency

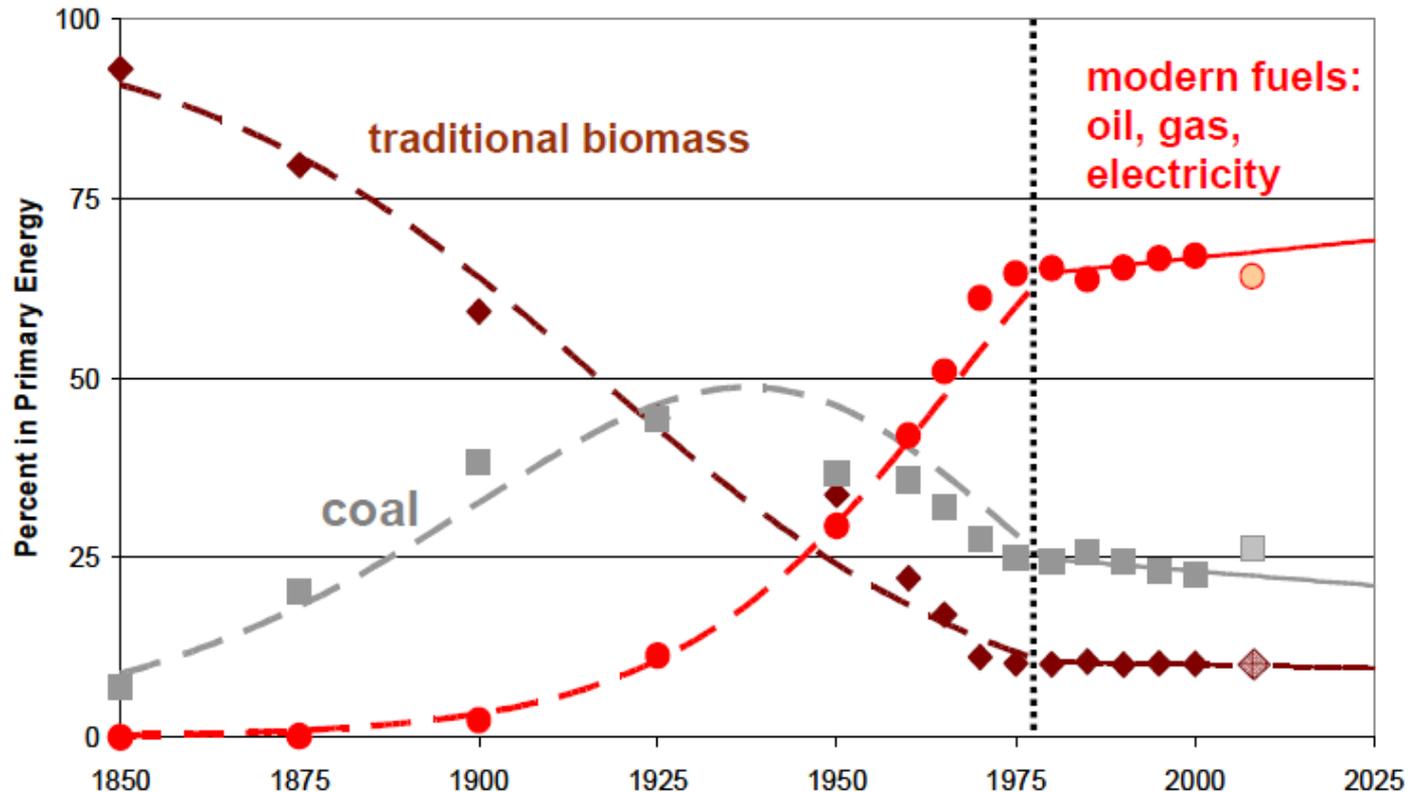
Pace of required reduction means early retirement of capital in energy sector, confronting vested interests



Source: Dan Bernie, Laila K. Gohar and Jason A. Lowe (2012) *Development of emissions pathways meeting a range of long-term temperature targets* Hadley Centre/Tyndall Centre/ Walker Institute/Grantham Institute for Climate Change

Technological transformations take decades not years

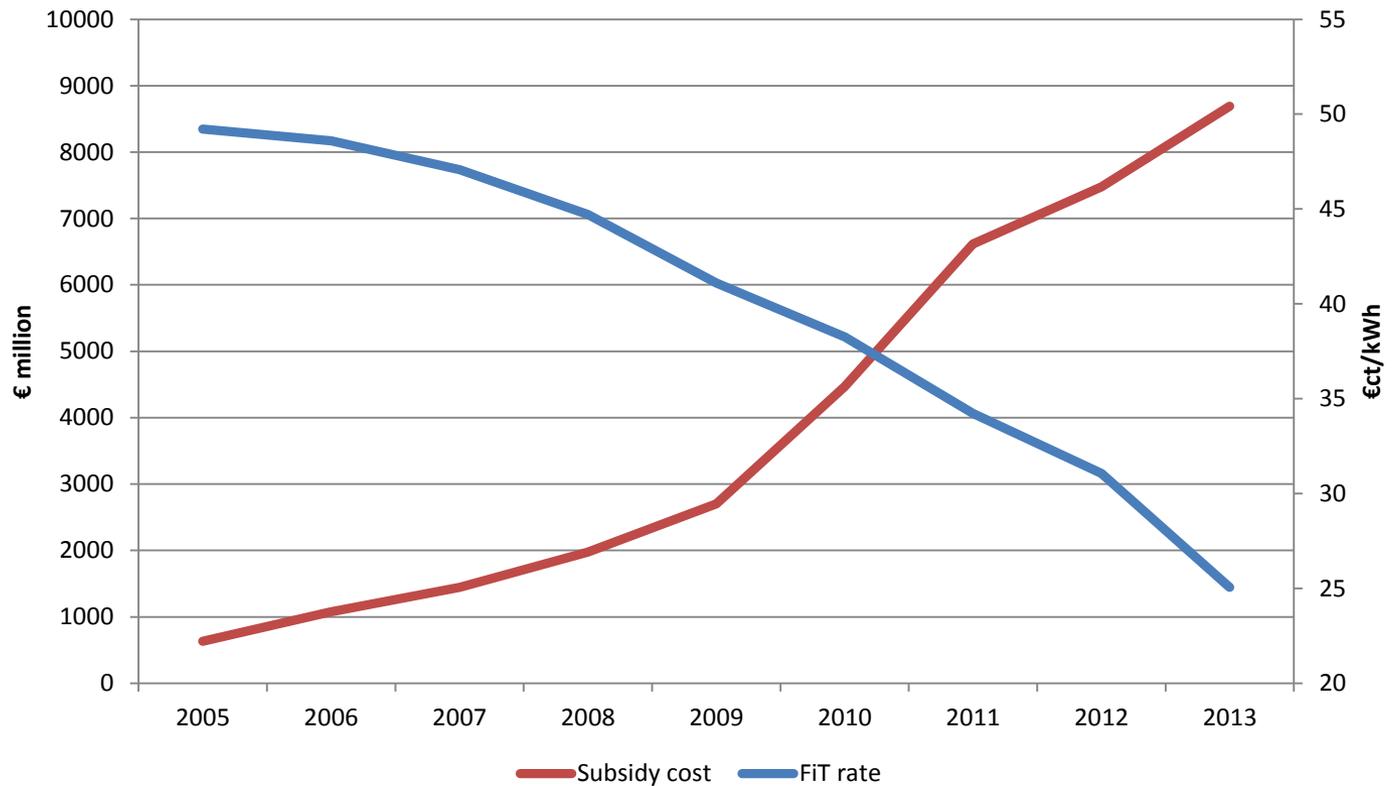
Need to sustain political coalitions for decades



Source: Wilson, C. and Grubler, A. (2011) *Lessons from the history of technology and global change for the emerging clean technology cluster* Background Paper, World Economic and Social Survey

In up-scaling, system costs can rise even if technology costs fall

Solar PV in Germany



As total costs rise, political opposition intensifies

Source: Lütkenhorst and Pegels, A. (2012) *Germany's green industrial policy* DIE

Politics of low carbon transformation is subordinate to wider politics



Not only wider energy politics, but also politics of nationalism, growth, economic reform etc.



Political strategies for low carbon transformations

Alternatives or complements?

**Depoliticisation
through
delegation
(e.g. Helm et al
2003)**



**Building national
political consensus
(e.g. Schmitz,
Johnson and
Altenburg 2003)**

Importance of policy feedback effects

- *Sustainable* consensus, i.e. political lock-in, requires *increasing political returns* (Pierson 2000)
- Major source of increasing returns in politics is *positive policy feedback* (e.g. Pierson 1993, Béland 2010)
 - Creation and strengthening of interest groups
 - Discursive effects that strengthen political identity
 - Mass feedback effects, including creation of new vested interests
- Low-carbon policies often create *negative* policy feedback through costs, so need to create offsetting positive feedback effects
- Possibility of increasing returns implies path dependence and divergence

Germany vs UK renewables policy



vs.



Germany vs UK renewables policy



VS.



Germany vs UK renewables policy

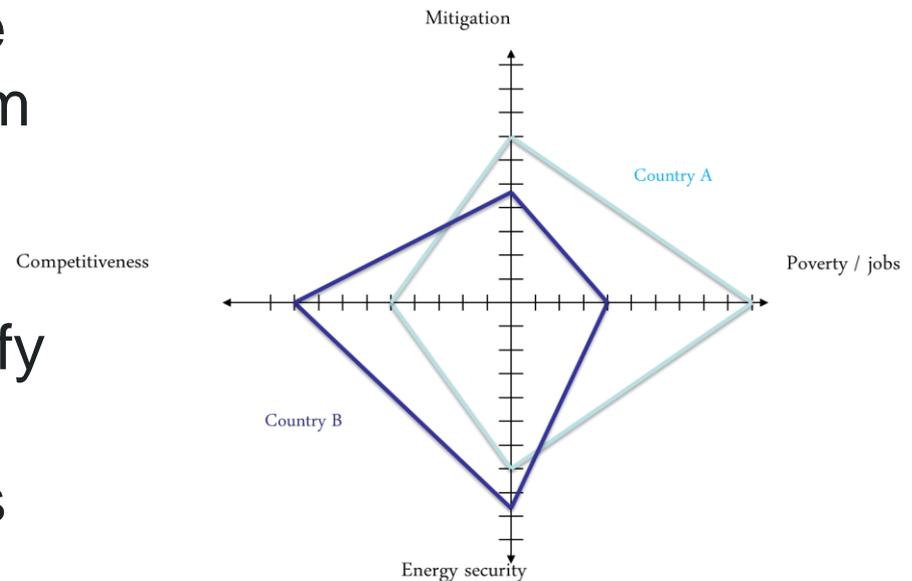


vs.



Contributing factors

- *Policy design* has political effects
- *Policy paradigms* influence policy design (neoliberalism vs Ordoliberalism – Toke and Lauber (2007))
- *Institutional contexts* amplify or dampen articulation between policy and politics
- *Salience* of issues in a country will affect nature of policy feedback
- *International spillover* effects



Source: T. Alernburg (2013) Green innovations: The challenge of shaping technological trajectories through policy, Seminar at SPRU, 1 November 2013

Implications for political strategy

- Increasing returns likely to be created in some countries more easily than others
- Pay attention to political effects of policy design, including the distribution of rents as well as their size
- Adopt pragmatic policy paradigms
- Build new institutions more supportive of positive policy feedback
- Coordinate internationally to maximise positive policy feedback

References

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