Exploring the role of policy entrepreneurs and entrepreneurship in ‘strange bedfellow coalitions’: reinterpreting EU-ETS reform through discursive institutionalism

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2013: EU-ETS is in deep trouble...

- Low prices undermining the credibility of EU climate policy
- April 2013: the European Parliament rejected a ‘backloading’ proposal

EUA prices in €/tonne, 2011 to 2013
Source: Bloomberg
A rescue mission is launched…

- “Backloading”: temporary fix in late 2013
- Market stability reserve (MSR) agreed early 2015
- **Business interests** key to ETS reform and emissions trading politics more widely (Wettestad and Jevnaker, 2016; Meckling, 2011)
- Pro-ETS businesses mobilised under the organisation of an ENGO (Fitch-Roy et al, 2018)
DI builds on previous ‘new’ institutionalisms but emphasises ideas and discourse in policy change or continuity (Schmidt, 2008; 2010 etc).

Main DI components:
- **Institutional context** in which institutions are both ‘given’ or and ‘contingent’
- The **substantive content of ideas**
- Discursive **interactive processes**
- Minor reference to the role of **policy entrepreneurs**

We extend DI to give a greater role to policy entrepreneurs who possess **social acuity, credibility, trustedness, and tenacity** (Mintrom and Luetjens, 2017; Mintrom and Norman, 2009; Mintrom and Thomas, 2018)
Research design

- Central research question
  - What entrepreneurial activity led to the creation and maintenance of successful ‘strange-bedfellow coalitions’ in the process of EU-ETS reform between 2012 and 2015?

- Main methods
  - Process tracing via documentary analysis and 32 elite interviews in Brussels with officials and interest groups
EU-ETS is a ‘cornerstone’ or ‘flagship’ of EU climate policy.

The principle of carbon trading as the primary instrument is perceived as beyond challenge, despite poor performance and apparent need for rescue.

Some tension between perceptions of the proper role of the EU-ETS between DGs Energy and DG Clima.

However, DG Energy overseen by pro-industry commissioner.
(Competing) Ideas

- ‘Climate action’
  - Normative ideas about the rationale for action: Should the EU tackle climate change?
  - Divergence between resistant ‘heavy’ industries on one side and business/commerce plus electricity industries, renewables, energy efficiency and NGOs on the other

- ‘Technology neutrality’
  - ‘Cognitive’ idea about how best to tackle climate change. Should policy makers pick winners? What role for markets?
  - Divided the pro-climate action community into business-dominated ‘ETS only’ and renewables plus NGO ‘multiple targets’ camps
Discursive interaction

- “Friends of ETS” coalition of strange bedfellows – ENGO coordinating a wide range of businesses
- Coalition ‘story’ framed as climate action, in opposition to energy intensive industries (and Energy Commissioner)
- While also emphasising the (“desperate”) need for ETS rescue and a technology neutral approach to EU climate policy
- Necessitating active rejection and marginalisation of non-tech-neutral policies (such as strong RE and EE targets for 2030)
Implications

- Viewed through DI, the role of the ‘strange bedfellow’ coalition can be seen to be entrepreneurial and can be viewed as either:
  - A pragmatic approach to policy influence by environmentalists that acknowledges the significance of the EU ETS as the ‘only show in town’ and mobilises the power of business in pursuit of change
  - OR
  - The co-opting by business of environmentalist’s tactics and skills to block policies with more potential to disrupt unsustainable energy production
- These two divergent possibilities highlight the significance of ideas and discourse in inter-interest power dynamics
- However, DI alone does allow us to categorically distinguish between them
Conclusions

- Interest groups are an interesting part of the case of (the most recent) bout of EU ETS reform
- Coordination among businesses and NGOs is especially relevant, raising more questions about the internal power dynamics of ad-hoc lobbying coalitions and the role of entrepreneurial strategies in structuring those relationships
- DI takes us part of the way there, leading on to more research
References


