



Lecture 7: A New Statehood within the Multilevel System

Episode 1: The Role of the Proactive State

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Episode 1: The Role of the Proactive State

Episode 2: The Role of the European Union

Episode 3: Interview



1. You understand what the proactive state and its functions are about.
2. You have an understanding of the policy mix necessary for the transformation.
3. You have an overview of the impediments and barriers of the transformation.
4. You know about the approaches and their proposals to overcome the impediments.
5. You are able to describe the transformation potentials in Brazil, China and India.



- I. The Proactive State – Definition and Function
- II. Policy Mix of the Proactive State for the Transformation
- III. Transformation Impediments and Barriers
- IV. Approaches to Overcome the Impediments
- V. The Transformation in Newly Industrialising Countries
- VI. Conclusion



The proactive state – historical approach

- 1970s liberal-libertarian philosophy of denationalisation and deregulation
 - Diminishing of many OECD-states' resources for fiscal intervention
 - The global economic and financial crisis of 2007 demonstrated the failure of deregulated market mechanisms
- Transformation from a moderating to a proactive state necessary



The proactive state - features

- promotes innovations
- mobilises important actors (market forces and civil society)
- removes barriers
- Intervenes with more citizen participation
- establishes national objectives to take environmental protection into account
- But: for a democratic state under the rule of law basic obligations continue to apply (human rights, constitutional procedural law)



Policy mix for the transformation

A portfolio of measures has to be used.

The required instruments are already known and mostly available.

The policy mix should concentrate on three areas:

- Development of new markets for innovations
- Provision of incentives for climate-friendly market behaviour
- Supply of public goods (e.g. infrastructures, ecosystem services)



Carbon pricing as a necessary political measure for the transformation

- Increases the incentives on the supplier side to expand renewable energies and use low-emission production technologies
- Prerequisite for the earning power of many investments in low-emission technologies
- Causes changes on the demand side
→ a high carbon price reduces energy consumption, thereby stimulating an increased tapping of energy efficiency potentials



Implementation of carbon pricing

Quantity control → restricting emissions from fossil fuels whilst introducing tradeable emissions rights

Establishment of a global emission trading scheme (ETS) by:

1. Further development of the EU-ETS
2. Linking of existing national ETS
3. Supranational agreements on emissions restrictions in high-emission countries



Transformation impediments and barriers in a multilevel system

- Short-term orientation and politics of delay
- Lobby and interest groups (influence of oil, coal, energy-intensive or automobile industries greater than that of civil society organisations or the „green industry“)
- Institutional fragmentation and lack of coherence and coordination
- Representation deficit and lack of acceptance



Approaches to overcome the impediments

empowering the state ~ giving citizens the opportunity to get involved in decision-making

Approach these goals on four interconnected levels:

- Setting a respective national objective regarding climate protection (constitutional)
- Provision of climate protection targets in climate protection legislation (substantive)
- Extended opportunities for public participation in decision-making, access to information and legal protection (procedural)
- Mainstreaming the climate policies of government institutions (institutional)



National objective: climate protection

- Emphasise its outstanding importance and the commitment on the part of the state
- Oblige the state and its institutions to pursue an active and appropriate climate protection policy
- Implementation of the objective by legislation
- Consideration of climate protection in the requisite decision-making process
- Executive power could use its scope of discretion to implement low-carbon solutions



The transformation in newly industrialising countries – affluence and trends in China

- Strong rise of economic growth and energy demand
- Investments in nuclear and renewable energies
- International and national investors are willing to invent and implement long-term projects
- Better chance of making the change towards climate-compatibility and sustainability than industrialised states
- China's reputation abroad could be enhanced through potential pioneering role in the area of “green development” → incentive



Obstacles in China

- “Green transformation“ could be perceived as slowing economic progress by many Chinese people
- Fragile acceptance and legitimisation of the Chinese government
- Incapability of holding public discussions on the future in “sensitive“ areas (e.g. suppressed news on Fukushima, democratic movements in North Africa)
- Already existing problems with implementing central state decisions in the regions and local communities



The transformation in newly industrialising countries – affluence and trends in Brazil

- Favourable political conditions for a post-fossil transition (democracy, institutional capacities, high government legitimisation)
- Excellent natural geographical conditions for the use of renewable energies (hydro power, ethanol)
- Willingness of the international community to support Brazil in protecting the Amazon rainforest



Obstacles in Brazil

- The industrial era's established modernisation paradigms predominantly guide policy-makers, economy and society
- The discourse on climate-compatibility is not pronounced yet
- Large oil deposits off coastal areas trigger economic desires and hopes of increasing Brazil's role in the global economy



The transformation in newly industrialising countries – affluence and trends in India

- Energy efficiency programmes announced and control of emission increases set on the agenda by the government
- But: increase of the economic performance and reduction of high level of poverty central issues in the political debate
- If national economies can demonstrate the combination of poverty reduction, competitiveness and low-carbon development, the conditions for learning would be favourable due to low fossil path dependencies
- Chance of steering modernisation process without “fossil detour“



Conclusion

- The transformation process towards the low-carbon society represents a huge political challenge
- the individual political instruments for the systematic transformation of economy and society are known
- political, institutional and economic path dependencies, interest structures and veto players impede the transition
- The key to the transformation lies in the proactive state



Exercises for self study

1. What characterises the proactive state?
2. What are the advantages of carbon pricing?
3. What are the central impediments and barriers for the transformation?
4. Describe the approaches for overcoming the transformation barriers.



Basic information:

- WBGU (2011): World in Transition: A Social Contract for Sustainability, chapter 4. Berlin.
www.wbgu.de

Further reading:

- Hoffmann-Riem, W., Schmidt-Aßmann, E., Voßkuhle, A. (2006): Grundlagen des Verwaltungsrechts, Band I: Methoden, Maßstäbe, Aufgaben, Organisation, München: Beck.
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- McKinsey (2009): Pathways to a Low-Carbon Economy. Version 2 of the Global Greenhouse Gas Abatement Cost Curve. Report. New York: McKinsey and Company.
- Harich, J. (2010): Change resistance as the crux of the environmental sustainability problem. System Dynamics Review 26 (1), 35-72.
- Giddens, A. (2009): The Politics of Climate Change. Oxford, UK: Oxford University Press.
- Tully, J. (2009): The Crises of Global Citizenship, Article Presented at a Lecture in the Goethe University Frankfurt/M. Frankfurt/Main.: Universität Frankfurt.



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