The potential of collaborative institutions for major policy change – Lessons from the German 'Coal Commission'

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In a nutshell

- Need to **govern phase-out of fossil regimes** –
  Increasing number of 'coal commissions' involving stakeholders to develop phase-out pathway.

- German commission in 2018/2019: Phase-out pathway for coal, however, not compatible with Paris Agreement.

- **Research aim of ongoing research**: Assessment of stakeholder commission as political instrument to find and agree on a coal phase-out pathway (in-line with Paris Agreement)

- **Research questions:**
  - How did different stakeholder groups manage to introduce and implement their interests in the process and the final report of the 'Commission on Growth, Structural Change and Employment'?
  - How did the set up of the commission (involved stakeholders, procedural conditions) influence it's output?

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Agenda

1. Motivation: How to govern a timely and just coal phase-out?
   & The case of the German 'Coal Commission'

2. Theoretical background: Collaborative Governance

3. Methodology: Semi-structured interviews and qualitative content analysis
   based on Collaborative Governance Framework

1. Motivation: How to govern a timely and just coal phase-out?
&
The case of the German 'Coal Commission'

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Motivation: How to govern a timely and just phase-out of incumbent fossil regimes?

- Socio-technical transitions:
  - Limited progress in reducing fossil fuel consumption – most pressing to **phase-out coal (Jewell et al. 2019)**
  - **Need to study deliberate phase-out** of incumbent fossil regimes (Köhler et al. 2019)
  - So far **limited attention to political process** of socio-technical transitions (Kern and Rogge 2018; Markard, Suter, and Ingold 2016)
- Stakeholder commissions/roundtables to discuss coal phase-out pathways (Canada, Chile, Czech Republic, Spain, …)
- Germany: National coal phase-out pathway developed by public stakeholder commission

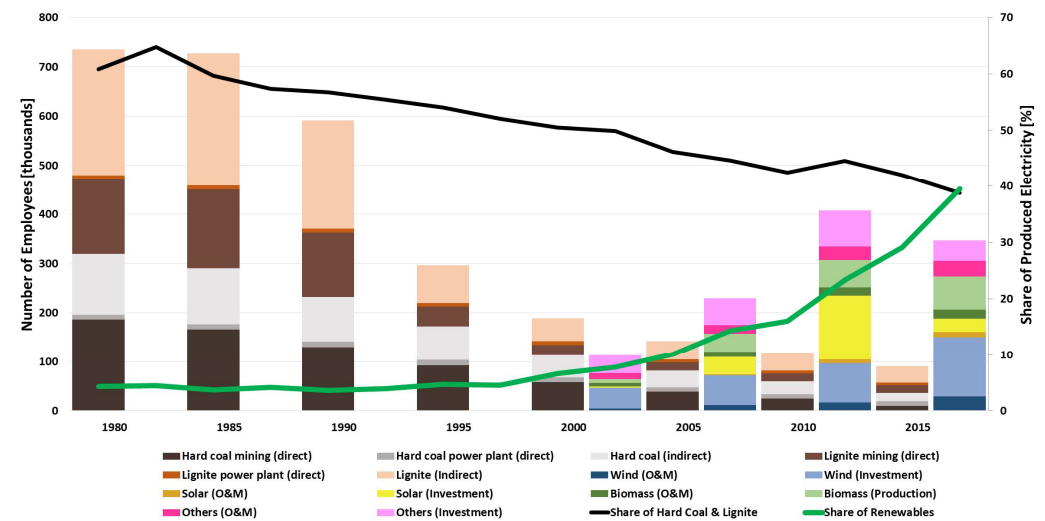→ **Stakeholder commission as useful political tool to govern timely and just phase-out?**

Kommission „Wachstum, Strukturwandel und Beschäftigung"
Abschlussbericht

Source: WSB (2019).

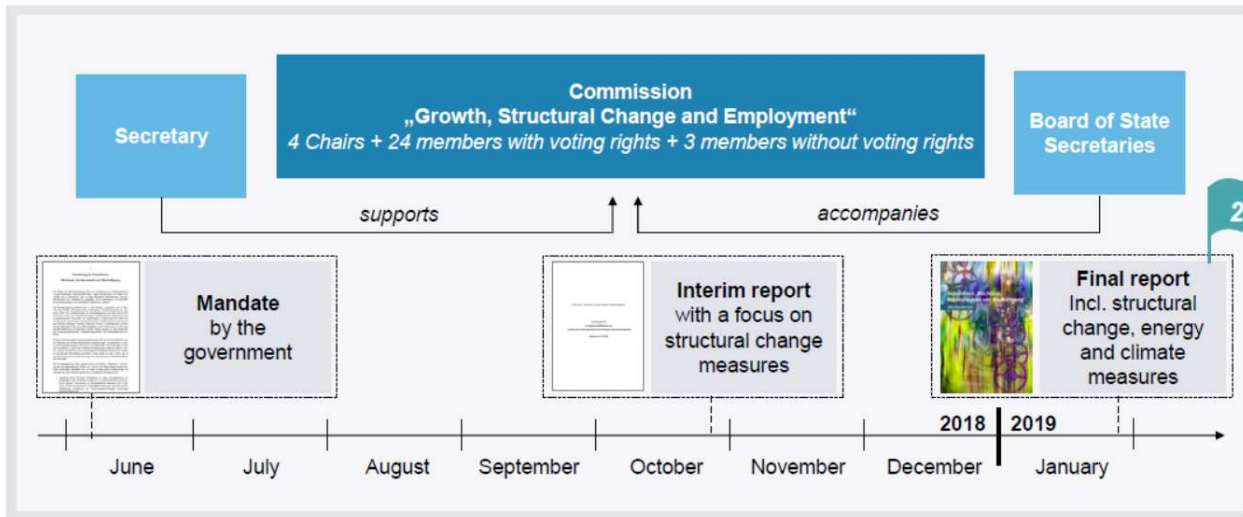COAL EXIT

Germany: Political context in 2018

- Powerful incumbent actors in favor of continued coal mining and burning

- Difficult economic situation for old and inefficient power plants, increasing share of renewables

- Increasing societal pressure for coal phase-out

- Political pressure to find pathway to achieve emission reduction targets & low energy prices

- → Awareness that a continuation of the status quo very unlikely, but large insecurity about future pathway with widely diverting interests –
  hurting stalemate situation.

- Decision to implement stakeholder commission in coalition agreement 2018 (CDU/CSU,SPD)

Development of coal and renewable energy share employment depicted by bars and share of electricity production in Germany from 1980 to 2017 depicted by lines.

Source: Oei et al. (2020)

The German 'Coal Commission', officially 'Commission on Growth, Structural Change and Employment'

Start in June 2018
Final report in January 2019
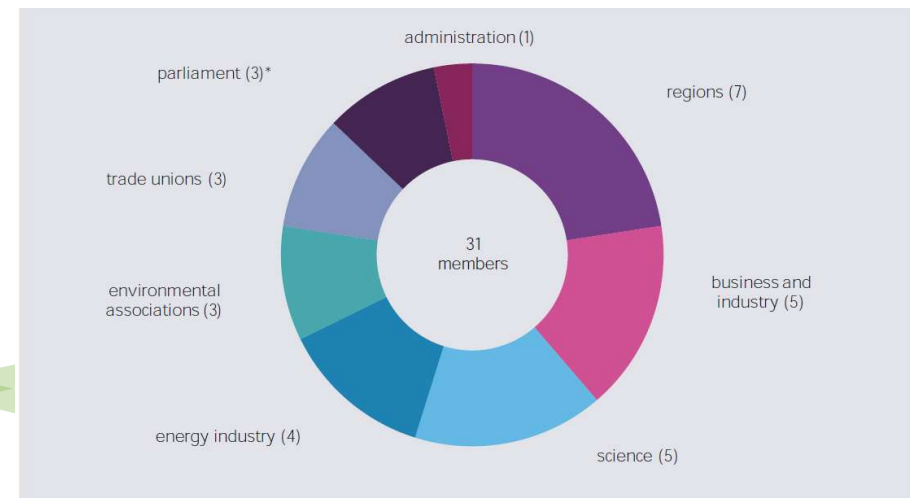- Adopted with 27 to 1 votes

Large stakeholder involvement
- 28 members with voting rights
- 3 parliament members without voting rights

Source: Agora Energiewende (2019)

Commission was tasked to decide on:

- a coal phase-out pathway

- measures to support the affected regions

- measures to support former coal workers

The 'Coal Commission's ' recommendations

- 12.5 GW of coal capacity to go offline by 2022, further 12.5 GW by 2030 (of currently ~42 GW, 17 GW will remain in 2030)

- Phase-out date 2038 with option of "early" phase-out by 2035

- A total of €40 billion in transition measures in German coal regions for next 20 years

- Costs and conditions for compensating utilities subject to negotiations with the government

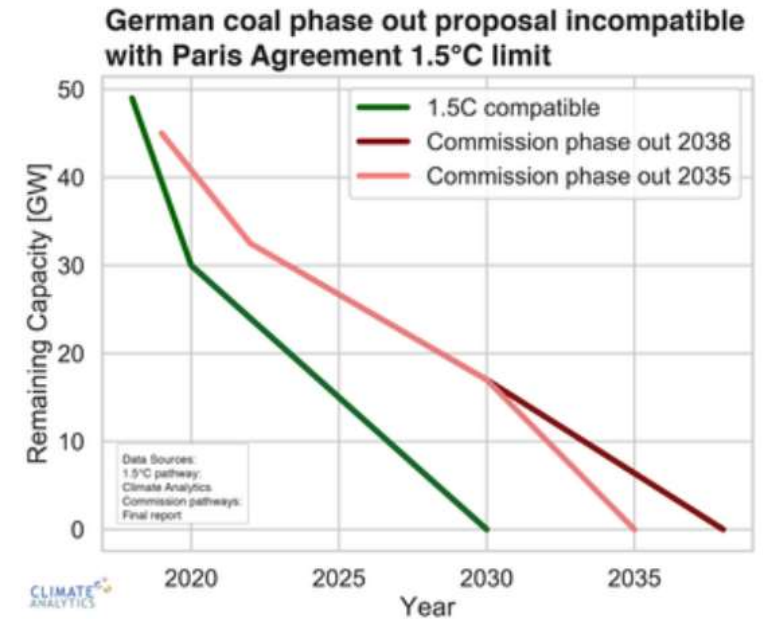- Confirming target of 65% renewable electricity production by 2030

Kommission „Wachstum, Strukturwandel und Beschäftigung"
Abschlussbericht

Source: WSB (2019)

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'Coal Commission' a success?

- Date for national coal phase-out in a country with large and historically important coal sector

- Broad spectrum of stakeholders involved

- Recommendations for economic and social mitigation of structural change effects etc.

- However: **Proposed coal phase-out not compatible with (ratified) Paris Agreement**

German coal phase out proposal incompatible with Paris Agreement 1.5°C limit

Source: Yanguas Parra et al. (2019)

Final report ≠ law: Coal phase-out law passed on July 03, 2020. Diverging opinions to what degree it follows recommendations of the 'Coal Commission'.
Focus in this study on commission's work and recommendations.

Research aim

In the context of an increasing number of 'coal commissions' and the controversial results of the German commission:

- We analyze if and how a stakeholder commission can be a **useful political instrument** to design and agree on a (national) coal phase-out pathway.

- We particularly focus on the issue of **(non-)alignment with the Paris Agreement**.

With this we contribute to the **debate of politics in socio-technical transitions** and in particular to current **debates about and designs of stakeholder commissions** implemented to enable (national) coal phase-outs.

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2. Theoretical background: Collaborative Governance

Paths to major policy change

Theoretical frame for the analysis:

- Advocacy Coalition Framework (ACF)(Sabatier and Jenkins-Smith 1988; Sabatier and Weible 2007)
    - Paths to major policy change:
        - Policy-oriented learning
        - External shocks
        - Internal shocks
        - **Hurting stalemate – negotiated agreement**

- Collaborative Governance (CG) to solve wicked problems and achieve consensus-oriented decisions (Ansell and Gash 2007; Emerson and Nabatchi 2015; Innes and Booher 1999)
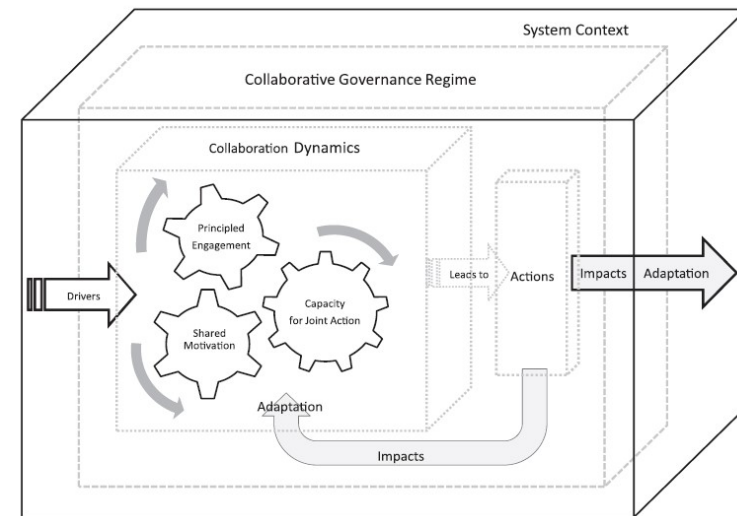
Collaborative Governance (CG)

CG can be defined as

"the processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished." (Emerson, Nabatchi, and Balogh 2012, 2)

Possible limitations of CG:

- Lack of win-win scenarios, strong belief heterogeneity, and high complexity of debated issues (Dutterer and Margerum 2015)

- Power imbalances among participants, as well as external pressures (Brisbois and Loë 2017; Dutterer and Margerum 2015)

- Marginalization of weaker actors and radical opinions (Kallis, Kiparsky, and Norgaard 2009)

- Diffusion of accountability and political responsibility (Hanemann and Dyckman 2009)

Collaborative Governance Framework (CGF). Source: Emerson, Nabatchi, and Balogh (2012, 6)

Collaborative Governance Framework (CGF):
System context -> "political, legal, socioeconomic, environmental and other influences that affect and are affected by the" collaborative governance regime (CGR)
Drivers -> initiating and setting direction of CGR (include: leadership, consequential incentives, interdependence, uncertainty)
CGR -> regime within decision making takes place
Collaboration dynamics -> "*principled engagement*" of all relevant stakeholders, which, if successful, creates a "*shared motivation*" among the participants, and eventually creates "*capacity for joint action*"

(Emerson, Nabatchi, and Balogh 2012, 5-6)

CGF – German 'Coal Commission'

System Context	Drivers	The Collaborative Governance Regime			Outputs Collaborative Actions
		Collaborative Dynamics			
		Principled Engagement	Shared Motivation	Capacity for Joint Action	
Incumbent utilities (coal)	Implementation of stakeholder commission part of coalition agreement	Numerous meetings of all members	Short time frame (~6months) to build trust	Financial resources of government	Interim report (focus structural change; October 2018)
Increasing share of RES	Uncertainty about future German power system (energy prices, energy security, climate targets,…)	Expert hearings, site visits	Duty (mandate of commission) to deliver reccommendations	???	Final report with recommendations for structural change, energy and climate measures, etc. (January 2019)
Diminishing profitability of coal	Uncertainty about future of coal regions (jobs, taxes, infrastructure, devastation of villages, …)	???	???	Procedural and institutional arrangements to foster collaboration?	
Societal climate and environment movement(s)	Interdependence of stakeholder interests	Shared understanding of conflicts etc.?	Level of trust?	Leadership?	
EU/national emission reduction targets	???	Deliberation: Open and inclusive discussions and deliberation?	Mutual understanding?	Shared knowledge?	
Industry demanding low energy prices		Shared theory of change?	Internal legitimacy?	Resource distribution among participants (capacities, experience, knowledge)?	
Lacking vision for coal regions		Included/excluded stakeholders?	Shared commitment?	Mandate of commission?	
National/international debate on future of coal				External influences?	
High level of conflict, low level of trust				High complexity; missing win-win situations?	
No political agreement (within government) on future of coal				Definition of problem and solution space?	
…					
???					

Source: Own work. Based on Emerson, Nabatchi, and Balogh (2012,7).

Hypotheses to guide empirical analysis

- System context, drivers, composition of commission
  - Hurting stalemate situation; strong belief heterogeneity → stakeholder commission for collaborative bottom-up recommendations (for all acceptable solutions, democratic legitimacy).
  - Commission seen as only venue by stakeholders to have a say in the phase-out process → Participation to influence decision.
  - Mandate/choice of members based on topic "Growth, Structural Change and Employment" → climate only as a second-order objective.

- Collaborative governance regime
  - Large power inequalities among members and little attempts to equate inequalities (capacities, experience, knowledge, lobbying outside of commission) → power imbalance regarding influence on work of commission (problem/solution space definition, drafting, weighting of, deciding on recommendations).
  - Chairpersons/management of commission chosen for political reasons; limited trust building process/time in the commission → specific advantages of a CGR could not be exploited.
  - Climate change is a global issue, possibly involving stakeholders globally, yet only national and local stakeholders involved → Difficulty to address global issue (adequately) with national commission.

Research questions

We base our analysis on the Collaborative Governance Framework (CGF; Emerson, Nabatchi, and Balogh 2012) to answer the following research questions:

(1) How did different stakeholder groups manage to introduce and implement their interests in the process and the final report of the 'Commission on Growth, Structural Change and Employment'?

(2) How did the set up of the commission (involved stakeholders & procedural conditions) influence it's output?

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3. Methodology: Semi-structured interviews and qualitative content analysis based on CGF

Methodology - Semi-structured interviews coal commission

- **Interview selection:**
  - ~1-5 with organizational team (administrative office & representatives ministries)
  - ~10-20 with commission members and chaperones
  - ~3-5 with observers (~50 who were able to participate, but not allowed to vote; e.g. representatives of federal states)
  - ~3-5 with non-represented stakeholders (identified through interviews who was not sufficiently included in commission)
- Focus on <u>work of/within</u> the commission (not translation into the coal phase-out law)
- **Determining e.g.:**
  - Which expectations of commissions did members have, where did experience then deviate
  - Changes in position of stakeholders and reasons for that
  - Internal dynamics
  - …

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Methodology – Qualitative content analysis based on CGF

- Qualitative content analysis (Gläser and Laudel 2010) as method for evaluating expert interviews – extracting information based on a system of categories that is determined based on theoretical underpinning ex-ante of the interviews

- Reconstructing analysis and a mechanism oriented explanation strategy – in our case based on Collaborative Governance Framework

Evaluation categories (preliminary)
System context
Policy instruments
(Non-commission) stakeholders influencing decision makers
Drivers for implementation of commission
Barriers for implementation of commission
Collaborative dynamics
Principled engagement
Shared Motivation
Capacity for Joint Action
Stakeholder networks
Ways stakeholders introduced their interests
Limits to collaboration
Collaborative outputs (outcomes)
Climate ambition (& impact)
(Possible) Economic impact coal companies
(Possible) Economic impact private economy
(Possible) Impact on coal regions
Other impacts not included in former categories
Position on commission's final report
Position on coal phase-out law

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Further research process

- Further elaboration of evaluation criteria; continued document analysis (currently)

- Interview guidelines (September 2020)

- Interviews (Autumn/Winter 2020)

- Extraction and analysis of interview data (Winter/Spring 2021)

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Thank you for your interest. We highly appreciate your feedback.

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The German Coal Commission: Recommendations and implications

- ## Programme on structural change
  - infrastructure (transport, digitization)
  - investment support
  - innovation (set-up and funding of research institutions in the mining regions, demonstration projects, innovation zones)
  - settlement of government agencies (incl. military)
  - early retirement/adaptation allowance mechanisms (labour market policies following the blueprint of hard coal mining phase-out)
  - civil society and community support programmes

- ## Financial resources for cohesion policies
  - €1.3b annually for 20 years for specific measures (controlled by federal legislation), €0.7b annually for 20 years at the disposal of the States
  - funds will be only partly additional (mostly re-distribution of existing funding mechanisms)

Example for extraction of evaluation category

Collaborative Outcomes: Main discussed topics and coal commission's impact		
Variable	**Dimension**	**Indicator**
Climate ambition&impact	Stakeholder	*Which stakeholder's position*
Evaluation of the climate ambition of the coal commission and the related impact (e.g. on German climate targets, international climate policies, etc.).	Evaluation climate ambition	*Statement of evaluation about ambitiousness of climate protection CoCo*
	Emphasis put on climate issues	*Statement of evaluation whether climate aspects were covered sufficiently in negotiations*
	Time	*Referral to overall commission work or specific session of negotiations*
	Cause	*Causes for level of coverage in commission/level of ambition*
	Effect	*Impact CoCo agreement on climate protection and (international) climate negotiations*