

# European Fuel Economy Policy

A Historical Comparative Analysis of Discourses and Change Factors

*26 August, 2020*

# Outline

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# Introduction

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- Transport sector is a large emitter of CO<sub>2</sub>
- Ambitious policy actions are proven to be important: e.g. standards, incentives, information sharing etc.
- EU adopted a very ambitious policy in 2019, setting efficiency requirements from 2030

# *EU Fuel Economy Policy*

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- Imposes minimum efficiency requirements for selling vehicles on the EU market (Corporate average)
- Co-decision procedure
- Literature points out automobile industry's strong influence over policies
- **Research question:** why could EU policy makers adopt an ambitious fuel economy policy in 2019 despite strong influence from automobile industry?

# Different Perspectives on EU Policy-Making

	Rationalism (Dominant)	Argumentative discourse analysis
What is policy-making?	Strategic game	Discursive interactions
What do actors do?	Rationally maximise utilities/benefits, using resources	Shape reality with ideas, arguments and discourses
What are the key focus?	<ul style="list-style-type: none"><li>• Power, interests, beliefs and resources</li><li>• Legal and institutional rules</li></ul>	<ul style="list-style-type: none"><li>• Discourses, narratives and storylines</li><li>• Discursive hegemony (structuration and institutionalization)</li></ul>

# Hypotheses

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- The policy change in 2019 was due to **change in dominant discourse and coalition** within the community of European fuel economy policy
- The combination of the following exogenous and endogenous factors at **multiple governance levels** have influenced the discursive battles at the European level in favor of environmental discourse and coalition:
  1. Normative influence from International climate negotiations;
  2. Domestic politics in key Member States in favor of automobile industries;
  3. Technology development
  4. Declining trust on automobile industry (e.g. diesel gate)

# Research Methods

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- Content analysis of policy documents
- Participant observation
- Historical comparative analysis of European regulations on CO2 emissions standards for Passenger Cars with the most similar cases:
  - Regulation 443/2009 (Case 1)
  - Regulation 2014/333 (Case 2)
  - Regulation 2019/613 (Case 3)

# Key Findings



# Competing Discourses on Fuel Economy

Two competing discourses and coalitions, trying to frame the issue of PC's fuel economy in different ways

	Socio-Economic Discourse	Environmental Discourse
Storyline	<ul style="list-style-type: none"><li>Negative impacts on jobs, innovation and competitiveness</li></ul>	<ul style="list-style-type: none"><li>Decarbonisation of the road sector with clean and zero emission mobility</li><li>EU's international commitment to climate action</li></ul>
Initial actor	<ul style="list-style-type: none"><li>EP (ITRE)</li><li>MS (DE, FR, UK, IT, ES)</li><li>Automobile industry (e.g. ACEA, VDA and companies)</li></ul>	<ul style="list-style-type: none"><li>EP (ENVI)</li><li>MS (NL, BE, SW, FI, DK)</li><li>Environmental NGOs (e.g. T&amp;E, Greenpeace, Friends of the Earth Europe)</li></ul>
Policy option	Less stringent than the EU-COM proposals (or the same level)	More stringent policy

# Change in Dominant Discourse and Coalition

	Institutionalization	Structuration
Case 1	<ul style="list-style-type: none"><li>• CO2 cap as proposed by the EU COM</li><li>• Flexibility for compliance (e.g. phase-in system, super-credit scheme)</li></ul>	<ul style="list-style-type: none"><li>• ENVI rapporteur referred to the need for “greater flexibility”</li></ul>
Case 2	<ul style="list-style-type: none"><li>• CO2 cap as proposed by the EU COM</li><li>• No longer-term CO2 targets</li><li>• Weakening, but still strong flexibility</li></ul>	<ul style="list-style-type: none"><li>• The flexibility was considered as a “reasonable concession to car manufacturers”</li></ul>
Case 3	<ul style="list-style-type: none"><li>• Higher CO2 caps and indicative target</li><li>• Limited flexibility (e.g. ZLEV benchmarks)</li></ul>	<ul style="list-style-type: none"><li>• “The transition to a carbon neutral economy”</li><li>• Managed to secure a tight policy design for 2025 and 2030</li></ul>

# Membership Changes in Discourse Coalition

	Socio-Economic Discourse	Environmental Discourse
Case 1	<ul style="list-style-type: none"> <li>• EP (ITRE)</li> <li>• MS (DE, FR, UK, IT, ES)</li> <li>• Automobile industry (e.g. ACEA, VDA)</li> </ul>	<ul style="list-style-type: none"> <li>• EP (ENVI)</li> <li>• MS (NL, BE, SW, FI, DK)</li> <li>• Environment NGOs (e.g. T&amp;E, Greenpeace, Friends of the Earth Europe)</li> </ul>
Case 2	<ul style="list-style-type: none"> <li>• MS (DE, FR, UK, IT, ES, PL)</li> <li>• Automobile industry</li> </ul>	<ul style="list-style-type: none"> <li>• EP (ENVI, ITRE, TRAN)</li> <li>• MS (NL, BE, SW, FI, DK)</li> <li>• Environment NGOs</li> </ul>
Case 3	<ul style="list-style-type: none"> <li>• MS (DE, UK, PL, HU, CZ)</li> <li>• Automobile industry</li> </ul>	<ul style="list-style-type: none"> <li>• EP (ENVI, ITRE, TRAN)</li> <li>• MS (NL, BE, SW, FI, DK, FR, IT, ES, PO, IR, SL, LU)</li> <li>• Environment NGOs</li> </ul>

# Observations on Change Factors

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	Factors	Comments
1	Evolution of international climate norms and the EU's global leadership	The basis of legitimacy for Environment Discourse
2	Declining presence of some key Member States in favor of automobile industry	Germany (A. Merkel)'s declining presence Some countries changed its coalition (e.g. France, Italy and Spain).
3	Development of alternative clean vehicle technologies	Clean vehicle technologies (EV, PHEV) increased the presence in discursive battles
4	Declining influence of automobile industry lobbying	Strong presence and influence in Case 1 and Case 2 Lost organisational credibility in Case 3, damaged by diesel gate

# Conclusions

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- Highlighted the role of discourses in (re) shaping policy discussions and outcomes.
- Identified factors for discourse change by drawing on the MLG perspective

Some areas for further research:

- Deeper theoretical reflections on factors for discourse change
- Further analysis on EU FE policy – e.g. emission testing regulations (e.g. WLTP, RDE)
- Cross country comparison – e.g. Japan's recent decision on future FE policy

Thank you