Multi-level Government & the Politics of Climate Change

Edited by

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Introduction

Climate change implicates a broad range of actors across several levels of governance, from the local to the global. While the media focus is often on international negotiations in Copenhagen or Cancun, important decisions aimed at tackling carbon emissions and promote sustainable development take place among governments, officials and other industry and agency actors on a day to day basis.

In multi-level states, where government is divided between central or federal governments and lower-level governments, the latter have become increasingly important players. Not only are they key to implementing the programmes and directives issued by the European Union or mandated by international agreements. They are also sometimes emerging as important innovators, setting examples for their member states. At other times, they can act to stall the progress achieved by national governments.

The summary papers in this document emerged in the wake of a seminar held at the University of Edinburgh in December 2010. The seminar explored multi-level government, intergovernmental relations and the politics of climate change, and involved a range of academic speakers and invited guests from different institutions in Scotland, including the Scottish Government, The Convention of Scottish Local Authorities and the Scottish Environment Protection Agency. It was convened by the University of Edinburgh Institute of Governance, in association with the Edinburgh Centre for Climate Change.

Each of the summary documents presented here has been produced by an academic specialising in the territorial politics of climate change policy in their respective countries. Contact details are provided for those seeking further information.

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Federalism and Intergovernmental Relations: The Multi-Level Politics of Climate Change Policy in Belgium

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This paper examines the degree to which three major characteristics of Belgian federalism shape intergovernmental relations (IGR) in the country, both with regard to the domestic climate change policy and Belgium’s position in the international climate change debate. The characteristics are: the, in theory, dual but, in practice, cooperative character of federalism, the Europeanization of IGR, and the politicized character of IGR.

1. Dual in Theory, Cooperative in Practice

The Belgian Constitution gives important responsibilities to the three Regions (Flanders, Wallonia, Brussels) and the three Communities (Flemish, French, German-speaking). The Regions matter most for climate change policy, as they have many competences in domains such as environment, energy, transport, spatial planning, and economic development, among others. The distribution of competences reflects a dual federalist logic, as it is based on exclusivity. That means that all aspects of each matter (legislative and executive) can only pertain to one level of government. The exclusivity extends to the international level, since according to the ‘in foro interno, in foro externo’ principle, the sub-state governments can conduct external policies for matters under their competence. Facilitated by the dual distribution of competences, the different governments in Belgium have diverging climate change policies, with regard to policy instruments, timing and targeted sectors. That divergence increases the complexity of IGR. Furthermore, there is no hierarchy between federal or sub-state laws in Belgium. That means that IGR are based on consensual negotiations between equal partners, and that there is no leverage to bring governments to the table besides voluntary cooperation. It also means that there is no such thing as a ‘national’ policy in Belgium. If something carrying the label ‘national’ is launched, it requires the input by both levels. Nevertheless, however separated the federal and the sub-state governments are because of the exclusive distribution of competences, they are condemned to cooperate if they want to achieve policy effectiveness or even a minimum degree of coherence, because the competences are distributed in a highly fragmented way.

For instance, in the environmental domain, the Regions are largely competent, but the federal government retains the responsibility over certain aspects such as product standardization. Regarding energy, the Regions have the competence over renewable energy policy and rational energy use, but the federal government controls nuclear energy and off-shore wind energy. As for transport policy, road transport, seaports, regional airports and public transport are sub-state competences but rail transport and the national airport are federal responsibilities. Moreover, the federal government has the control over taxation, a policy instrument that is important in all policy domains.

1 The full paper is available on http://www.ghum.kuleuven.be/ggs/nieuw/pages/publications/working_papersS.html.
As a consequence of that fragmentation, several cooperation mechanisms have been developed to coordinate among governments. In the area of climate change, IGR fall under the heading of the Interministerial Conference on the Environment (IMCE). For issues regarding Belgian climate change policy, the IMCE is assisted by the National Climate Commission, a coordination forum composed by representatives from the federal and from the three Regional governments. With regard to Belgium’s position in international climate change negotiations, the IMCE delegates its work to the Coordination Committee for International Environment Policy, which has different working groups that prepare multilateral negotiations on environmental issues. The arrangements that govern IGR on climate change in Belgium are written down in a number of cooperation agreements, i.e. ‘contracts’ between the governments which need to be ratified by the federal and sub-state parliaments, and the negotiations of which are said to resemble international treaty-making. Cooperation agreements have been concluded, for instance, on arrangements regarding CDM/JI projects, on a national ETS register, and on a National Climate Plan, among others. When those ‘day-to-day’ cooperation mechanisms fail in Belgium, an issue is referred to the Deliberation Committee, the compromise-building instance of last resort presided by the Prime Minister. Climate change is one of the issues for which the Deliberation Committee had to convene, when no agreement was reached on the intra-Belgian distribution of the Kyoto Protocol’s reduction target. Eventually, because the Regions could not be convinced to adhere to reductions sufficient to reach the Belgian target, the federal government agreed to fill the gap, inter alia by buying carbon credits through flexible mechanisms. The case of climate change shows the sometimes awkward position of the federal government in Belgium. Although it holds very few of the competences that matter for climate change, it has to pay a large share of the bill.

2. Europeanization of Inter-governmental Relations

Most IGR are started because of international requirements, e.g. to issue a national report or to take a stance for international decision-making. Examples are the IGR on the internal burden sharing of emission reductions, on the National Allocation Plan (NAP) of emission allowances, or on the Belgian position in European and global negotiations on climate change. When something ‘national’ is established, it is almost exclusively because of international commitments. Those commitments usually have an EU dimension. The EU traditionally has a high normative authority in Belgium, meaning that what the EU says or does is rarely criticized or even questioned by Belgian politicians. It is often easier to agree on EU requirements than to rely on intra-Belgian negotiations. What also contributes to the Europeanized character of IGR is that many of the sub-state competences in Belgium are precisely domains in which the EU has much power as well.
The sub-state governments are thus forced to cooperate with each other if they want to exert their competences. That automatically gives a coordinating role to the federal government, which is still the main contact point for the EU and for international organizations. Still, international pressures and EU deadlines are often not strong enough to break domestic political gridlocks.

3. Politicized Relations

IGR in Belgium happen between executives, and they are highly controlled by political parties in general and ministerial cabinets in particular. As a consequence, IGR ran generally smooth before 2004, when governments at both levels were controlled by identical coalitions. Since 2004, governments have been characterized by political asymmetry, which makes it harder to settle intergovernmental disputes. In the context of climate change, the political asymmetry is manifested in a cleavage between progressive and more conservative climate goals. For instance, at the COP in Copenhagen, Belgium was unable to take a position on a proposal by some EU member states to advance an unconditional 30% reduction to boost the talks. The Flemish Environment Minister (Christian Democrat) was against, while her federal (Socialist) and Walloon and Brussels (Green) colleagues were in favour of the proposal. Furthermore, the representation of Belgium in multilateral decision-making can also be the object of disagreements between the asymmetric governments. During the time of the COP in Cancun, Belgium was holding the rotating EU Presidency. As a consequence of the intra-Belgian arrangements on the representation of Belgium in the Council of Ministers in matters regarding sub-state competences, the Flemish Environment Minister occupied the seat of the Presidency, presided the Environment Council and, as a consequence, the EU delegation in Cancun. In turn, the federal Environment Minister occupied the seat of Belgium as an EU member state. In the run-up to Cancun, the media publicized a disagreement between the two Ministers on who would be the formal ‘head’ of the Belgian delegation. The politicization of IGR forms the biggest problems for intergovernmental cooperation. Since all major decisions need to be made at political level, IGR are frequently paralyzed in the months before a federal or sub-state election, and during the post-electoral negotiations. That is very problematic in a country that has held six elections in the past eleven years — not counting municipal and provincial elections — and where the federal elections of 2007 and 2010 triggered months-long political stalemates. The case of climate change policy has shown that those political instabilities can lead to policy failures. Belgium is sometimes unable to take a position on key issues in international negotiations, and the country can lag behind its neighbours with regard to domestic policy-making. While the successive state reforms intended to ease decision-making in a divided country, it appears they had the opposite effect.
Multilevel Governance and Climate Policy in Canada

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1. Canadian Climate Change Policy: National Performance, Regional Disparities

While it was among the first countries to call for international action on climate change in the late 1980s, Canada now clearly stands as a laggard amongst developed countries seeking to reduce their greenhouse gases (GHG) emissions. It is responsible for only about 2% of global GHG emissions, but the country is the world’s third largest emitter on a per capita basis, coming just behind Australia and the United States. While it committed itself through the Kyoto Protocol to reduce its annual emissions by 6% below 1990 levels by 2012, its emissions have significantly risen since the late 1990s and stood at 26% above 1990 levels in 2010. Moreover, while the Canadian government ratified the Kyoto agreement in 2002, it has since renounced this commitment, for all intent and purposes, by refocusing its policies around the longer term commitment of reducing annual GHG emissions to 17% below their 2005 levels by 2020, and even this longer term commitment is conditional on the United States eventually legislating an identical objective.

Many factors account for this weak performance, including the woes of the United States on climate policy: for fear of putting the country at a competitive disadvantage, the Canadian government has been reluctant to move ahead of its main trade partner. However, federalism, intergovernmental bickering and profound regional tensions have often been blamed for the country’s inability to take significant steps toward a low-carbon economy. In fact, there is no doubt that the politics of climate change have been significantly affected by important regional disparities in GHG emissions and by the unique importance that fossil fuels play in the economies of some of the provinces in the west of the country. For example, while annual GHG emissions are about 22 tons per capita for Canada as a whole, the western provinces of Saskatchewan and Alberta emit about 70 tons per person, more than three times the national average. In contrast, Quebec and Ontario, the industrial heartland of the country, respectively emit 11 and 15 tons per resident. As a result, Alberta, by itself, accounts for 31% of Canadian GHG emissions, even if the province counts only about 10% of the population. Moreover, Alberta and Saskatchewan together accounted for about 74% of the growth in Canadian GHG emissions since 1990.
One of the reasons for these disparities is the variation in the mix of energy sources used by provinces for generating electricity. In excess of 90% of the electricity produced in Quebec and British Columbia comes from hydroelectricity, while 86% of Alberta’s electricity is generated by either burning coal (48%) or natural gas (38%), important sources of GHG emissions. The largest province, Ontario, relies on coal and natural gas for 22% of its electricity production, but it also counts for a large proportion of nuclear technology (52%) and hydroelectricity (25%). In addition to these differences in electricity generation, the presence of a large, and fast growing, oil and gas sector in Alberta and Saskatchewan has also been an important contributor to trends in GHG emissions and it has been even more important in the intergovernmental politics of climate change. Alberta has long been an important exporter of conventional crude oil, but the exploitation of the oil sands in more recent years has proven an exceptional source of government revenues and economic benefits, while contributing to significant growth in energy consumption and GHG emissions. While the oil sands currently make up about 5% of Canada’s overall GHG emissions, they are the fastest growing source of emissions. In fact, according to the federal Department of the Environment, half of the increase in Canada's industrial GHG emissions between 2010 and 2020 will come from the expansion of Alberta’s oil sands operations. This fact looms large in the Canadian politics of climate change, and it has also attracted international attention, including in the United States where concerns about Canadian “dirty oil” have been voiced by environmentalists and elected officials, including the President.

2. The Canadian Constitution and the Division of Powers related to Climate Policy

Canadian federalism provides for a fairly tight division of legislative powers between levels of government. While duplication and overlap are common in many policy fields, provincial governments have extensive autonomy in their areas of jurisdiction and intergovernmental coordination, essentially based on intergovernmental negotiations, is often limited, variable and difficult. This situation
also characterizes the division of powers as it pertains to climate policy. According to the constitution, provincial governments have the exclusive authority to legislate on the use of non-renewable resources (including fossil fuels), the generation of electricity, the organization of municipal government (with incidents for local land-use policies and transit), and property and civil rights (which historically has underpinned environmental regulations and energy efficiency standards). Provinces also have essentially full powers over taxation.

While these constitutional powers have given extensive authority, and responsibility, to provincial governments to shape climate policy, the federal government also has several levers at its disposal. Over the last decades, its authority to legislate on environmental matters, including the regulation of industry, has been recognized and expanded by the courts. After having relied on its general power to make laws for the “peace, order and good government” of Canada in matters of national concern, it has more recently found in its authority over criminal law an extensive and fruitful basis for its environmental laws. It also has full taxation powers and it has occasionally used intergovernmental financial transfers to “encourage” provinces to create desired environmental programs, including some aimed at mitigating GHG emissions.

In sum, the constitutional division of powers only represents a partial constraint on the pursuit of an effective national policy, limiting the access to some policy levers by the federal government, and certainly making coordination essential to avoid duplication or counterproductive effects. However, it does not prevent substantial policy action by both levels of government on the control of GHG emissions and the move to a low-carbon economy. That being said, the significant regional disparities in emissions mean that federal involvement and/or a coordinated national approach will be essential to meet stated national objectives: without them, the policies pursued by some provinces, especially Alberta, will simply make it impossible to meet national emissions objectives.

3. Intergovernmental Relations and Climate Policy in Canada

Given the potential inefficiencies, even counterproductive effects, that can result from pursuing an uncoordinated approach to moving toward a low-carbon economy, it is interesting to note that efforts at intergovernmental coordination have been largely unsuccessful since the mid-1990s. In fact, to this day, the country has yet to come up with a detailed and comprehensive national plan to meet its stated (and evolving) targets for GHG emissions reductions. At various points since the mid-1990s, important provinces, such as Quebec, Ontario and Alberta, have all walked out of the intergovernmental process or refused to endorse its decisions. While intergovernmental negotiations led to a “national” negotiation position adopted in Kyoto, under international pressure, the federal government
ended up committing to a more stringent target strongly rejected by some provinces. Then, there were profound and very public provincial opposition to the ratification of the agreement in 2002, including by Ontario and Alberta. When the federal government unilaterally decided to ratify the agreement, Alberta decided to stop participating in intergovernmental discussions.

Since then, there has been no multilateral intergovernmental process in place and the federal government has attempted to negotiate bilateral agreements with some of the provinces, essentially providing funding to help support provincial initiatives aimed at the mitigation of GHG emissions. As a result, the country still lacks an overall plan and an integrated approach to address climate change and deliver on its international commitments. Furthermore, the reluctance of the federal government to adopt either a carbon tax or a cap-and-trade system, or to move to regulate industrial emissions, has left the country with a patchwork of policy measures that are certain to come short of its stated GHG emissions targets. Since 2006, the coming in power of a Conservative government skeptical about climate change and with a very strong electoral base in the western provinces has further complicated the picture. As Liberal governments in Ontario, Quebec and British Columbia have begun to pursue more ambitious climate policies, the intergovernmental politics of climate change have increasingly been characterized by a clash between these provinces and an alliance between the federal government and the government of Alberta.

4. Sub-state Climate Action: Innovators and Laggards

This clash between Alberta and the other large provinces is also evident when looking at provincial initiatives on climate change. While Quebec, Ontario and British Columbia are now committed to comparable targets around 15% to 20% below 1990 emission levels by 2020, Alberta clearly stands out with a commitment to keep its annual emissions at about 58% above 1990 levels by 2020. While the province has adopted legislation regulating large industrial emitters, these corporations only have to meet intensity-based targets (i.e. no absolute ceilings on annual emissions) and, if they fail to do so, they can meet their legal obligations by paying a maximum fee of CAN$15 per ton of GHG emissions into a green technology development fund. Aside from these regulations, the province’s main climate initiative has been a CAN$2 billion investment in capture-and-storage research and demonstration projects.

In contrast, some of the other provinces have now begun to adopt more ambitious and innovative climate policies. British Columbia, Manitoba, Ontario and Québec have joined the Western Climate Initiative and adopted laws to prepare their participation in this regional cap-and-trade system put forward by some American states. Québec and British Columbia have adopted carbon taxes, although Québec's tax is very modest and principally meant to raise revenues for green initiatives as opposed to changing energy consumption behaviour. Ontario is investing heavily to phase out its coal-based thermal electricity stations by 2014 and it has adopted controversial financial measures to help the development of wind power and other renewable sources of electricity. It is clear that the governments of these provinces now consider the shift to a low-carbon economy and the development of green technologies as a part of a potentially rewarding industrial strategy.
Multi-level Politics of Climate Change Policy in Germany

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1. Multi-level Governance in Germany

Germany is a federal state characterised by a co-operative system of federalism. Its administrative structure consists of three different levels: the federal, the state (Land) and the local level. Each level is legally autonomous and, in principle, independent in fulfilling its constitutionally-defined tasks. Germany has a unique federal system with a functional division of power, assigning the right to decide on environmental legislation largely to the federal level and the implementation - or the right to act - mainly to the regional level (Länder). Federal laws, ordinances, and administrative provisions are normally executed by the Länder. Since the 1970s, as a result of the European integration process, a large and growing body of environmental and climate legislation has been formulated and decided upon at the European level. This legislation needs to be transposed into national law at the federal level and implemented at the Land level.

The German federal state is regarded as a textbook example of a multi-level system prone to political blockades (Benz 2009). This is due to the high measure of joint decision-making between the federal level and the Länder, as well as the parliamentary system of government. The question addressed in this overview is whether climate policy making is negatively affected by such forced negotiations and heavily influenced by party competition that typifies the co-decision processes in Germany (Benz 2009: 125).

2. The Institutional Set-up for Climate Policy in Germany

The formulation of guidelines for climate policy and in particular for international and European negotiations lies within the domain of the Federal government, and is mainly reflected within the 'Climate Protection Strategy of the Federal Government'. In keeping with the division of powers, and according to the second National Report pursuant to the United Nations’ Framework Convention on Climate Change, signed by the then Federal Minister for the Environment, Angela Merkel, the Länder (i.e. regional governments) have a ‘very important role to play in the development and implementation of the German climate protection strategy’ (BMU 1997: 170)².

As regards law-making, there is as yet no clear-cut constitutional responsibility for the issue areas of climate protection and the federal legislator has to date not passed a climate law. Climate protection regulation is rather new to environmental law and is unfolding bit by bit. It is by nature a cross-sectoral task that includes GHG emission reduction targets for a variety of areas, amongst them, energy supply systems, transportation, households, industry, agriculture, commerce and services. Many climate protection measures can be based on Article 74 (paragraph 1, nr. 24) of the Basic Law (German constitution), which provides the federal level with legislative competencies for clean air policies. Other legal matters related to polluting sectors with large GHG emissions, such as transportation and agriculture for example, can be integrated into their respective special law. Another important legal matter involved is energy law (Art. 74 (1) 11). According to the federal government’s energy concept developed recently, the present energy supply structures will have to be radically transformed in the medium to long term. Regulatory frameworks for the promotion of renewable energy and energy efficiency, as well as the modernization and expansion of the grids, are related to the energy law in particular.

The majority of the policy areas relevant to climate protection are subject to concurrent legislation. The Länder have the right to adopt legislation provided, and in so far as, the Federation makes no use of its legislative powers in the same field (Deviation see Art. 72 GG).

The interdepartmental character of climate policy results in a compelling need for the horizontal coordination of climate targets and programmes with powerful ministries such as transportation, economy and agriculture located on the federal level. Guidelines for German climate strategies and policy measures have been proposed through the Interdepartmental Working Group “CO2- Reduction”, headed by the Federal Environmental Ministry. Participation of the Länder governments in these groups is not mentioned in the National Climate Report. However, the multi-level character of German climate policy, consisting of the
“right to decide”, which is found mainly at the federal level, and the “right to act” and co-decide in part, which is found at the ‘subnational’ Land level, causes a strong need for vertical coordination across layers of government.

3. Climate Politics in the Federal System of Germany

Have the specifics of multi-level coordination in Germany between the federal government and the sub-state level had a particular impact on the way climate change policy in Germany has been shaped?

National climate policy in Germany was launched by the Kohl government in the beginning of the 1990s – this, following a lengthy latency period since having become aware of the problem. The “global warming question seemed to have fallen between the institutional cracks of government during much of the 1980s” (Hatch 2007). The science sector was the driving force behind climate agenda setting – that is, the creation of a knowledge basis as well as the framing, formation and management of the climate change issue. Following the Enquete Commission report in 1990, science and politics were coupled, and the German Federal Government came up with targets and organizational measures for climate protection. From that moment onward, Germany became a pace-setter in both European as well as in certain segments of international climate policy - this, despite its own political up- and downswings with regard to this issue. Based on the work of German Federal Parliament's Enquete Commission in 1990 entitled “Provisions for the Protection of the Earth's Atmosphere”, the Federal Government came up with the first CO2 reduction target of 25-30 per cent between 1987 and 2005. In 1991 the Federal Cabinet passed an ambitious first CO2 reduction programme, including sector goals and 100 policy measures for CO2 reduction, including market-based, regulatory, informational and educational instruments. The first national climate action programme was developed with a consensual policy style involving ministers and departments at both the federal and regional level, as well as representatives from parliament, industry and environmental groups. A broad consensus for political action had emerged from the consultative process when the Federal Government came up with the first CO2 reduction target, as well as additional measures. The general approach of German climate policy continues to be one based on consensus.

4. The Capacity of Sub-state Governments to Pursue Autonomous Climate Change Policies

Germany is composed of 16 Länder with 13 territorial Länder (Baden-Wuerttemberg, Bavaria, Brandenburg, Hesse, Lower-Saxony, Mecklenburg-Western-Pomerania, North-Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia) and 3 “city states” (Berlin, Hamburg, Bremen) which are both a Land and a local authority.

Climate protection, mitigation, and even piecemeal adaptation have become increasingly important political issue areas in the German Länder. This is indicated by a variety of political statements which refer to sub-national climate protection plans and the promotion of renewable energy in the Bundesländer. The German Conference of the Environmental Ministers created the working group “Climate, Energy, Mobility and Sustainable Development” in 2008.
Even in the absence of a federal obligation to do so, 13 Länder had climate protection plans and/or climate-relevant energy plans and programmes in place between 1995 and 2000. Their strategies addressed the integration of climate protection targets into government sectors such as energy and transportation policies. They also provided for vertical downward integration in the sense that they concern and refer to climate protection targets from national, supra-national and international levels. Nine out of 13 programmes contained quantitative targets, concerning reductions of greenhouse emissions, improvements in energy efficiency, increases in the proportion of renewable energy and numerous sectoral goals. Some Länder had laws requiring regular monitoring of targets and measures. Berlin’s first Energy Action Plan has been evaluated and reformulated since 1999. Länder such as North-Rhine-Westphalia, Berlin, and Mecklenburg-Western-Pomerania formulated their targets in correspondence with the federal government’s national Climate Protection Programme. The Bavarian government did not adopt the national targets, instead formulating lower reduction targets in order to allow for the comparatively lower per-capita CO2 emissions in the Bundesland (StLMU 2000: 5). In contrast to the federal strategy, both Bavaria and Baden-Württemberg were committed to use of atomic power until the recent elections. For example, the government of Baden-Württemberg adopted an energy concept and a climate protection concept to complement Federal as well as European objectives and programmes (WMBW, Energiekonzept 2020: 7).

At the Land level, economic benefits in particular can be yielded through sustainable energy policy and are mentioned in the climate programmes. In Baden-Württemberg, Berlin, Schleswig-Holstein and a number of other Bundesländer, win-win constellations were identified through energy conservation in the building and housing sector and through the promotion of renewable energy. A best practice example mentioned in several interviews is Baden-Württemberg’s Renewable Heat Law, a regulatory initiative of the Environmental Minister of Baden-Württemberg. The law received support from regional enterprises since it created a market.

Conclusion

Climate protection and sustainable energy policy have become very important action areas for the Land level. In regard to their embeddedness in the federal structures of Germany and the European Union, the German Länder’s major function is to act (i.e. implement) rather than to decide on substantial policies. They have to provide for the successful implementation of a dense regulatory framework decided on by higher governmental levels. In this context, they can experiment with new approaches to climate policy, identify economic assets and create new actor alliances to realize win-win potentials. They can complement federal and European policies with voluntary forms of governance and make use of their latitude in the context of planning.

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Multilevel Governance of Climate Change Policies in Spain

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1. The Multi-level Distribution of Climate Change Competences and Competence Constraints in Spain

It is well known that climate change is an issue that cuts across several traditional policy areas (most notably: energy, transport, housing, industry, environment), so it is not surprising that competences relevant for climate change are distributed among several levels of governance.

At the time of the transition to democracy, the Constitution of 1978 left the distribution of powers in Spain unsettled, subject to an open-ended process of transfer of powers to those regions that would demand to have their own government, creating an autonomous community (AC), which would then negotiate with the central authorities the terms of their autonomy, and the list of devolved competences, included in their estatutos (regional constitutions). Within that framework, each estatuto was bargained separately and contained a different distribution of powers between central government and the new regional authorities. Estatutos could be reformed, however, and there have been several rounds of renegotiation of powers, which have generally moved towards a simplification of the system, with all ACs currently having a very similar list of devolved powers. As one could expect, this is a political process, so there is no guarantee that competences are given to the level best equipped to deal with them from an abstract technocratic point of view.

In several of the policy areas related to climate change, like the environment, energy, and motor vehicles, central government has the power to approve basic legislation, while the ACs are in charge of implementing the laws, which means they are the ones who issue permits, establish control mechanisms and verify compliance with the law. In relation to the environment, they can also approve laws that establish more strict rules than those set at the national level. Central government is also in charge of regulation, planning and funding of inter-regional public transport and transport infrastructures, while the ACs are in charge of intra-regional transport, with a few notable exceptions, like some of the suburban rail networks, which are still managed by Renfe, the state railway company. The ACs have in principle full competence on matters of urbanism and housing, but in practice, as happens in other policy areas, the central government has retained a strong capacity to legislate over them, based on its legislative competence on related matters like civil and commercial law, professional titles, health, environment, property expropriation and general economic planning.

2. Sub-state Innovation and/or Sub-state Laggards

Spain has been usually characterized as a laggard in environmental policies, in relation to both policy content and governance reforms. It was one of the last European countries to establish a Ministry of Environment (1996), it made
environmental impact assessments compulsory in the late 1980s, following its integration in the EU, and it has frequently been slow to adapt national legislation to European directives (for example, in relation to Strategic Environmental Assessment). The Spanish strategy for Sustainable Development is another example, as it was passed in 2007, five years after the agreed date of the Rio+10 summit in Johannesburg.

Spanish policies towards climate change have also been, broadly speaking, slow, not very ambitious, and reactive, and have been mostly concerned with complying with international and EU agreements. The soft commitment and leadership of central government could be seen as an opportunity for innovation at the sub-state level, but most regions have not taken advantage of it. At the institutional level, only four out of 17 ACs have created climate offices as separate entities, with a high level within the administration; eight have established coordination commissions to facilitate inter-departmental cooperation; and just four have introduced a new process or institution to channel social participation for the elaboration of their climate change plans or strategies.

The most innovative among these might be the Catalan Convention for Climate Change (July 2007- April 2008), a participatory process preliminary to the drafting of the Framework Plan for Mitigation of Climate Change, that brought together hundreds of participants from a substantial numbers of civil society groups. This process was led by a progressive coalition government (Socialists, Greens, Left-wing Nationalists), but it did not commit Catalonia to go beyond Spain’s GHG emission target, which is in fact an increase of 37% over 1990 levels (15% allowed by the EU internal division within Kyoto, plus an additional 22% compensated by Kyoto’s international flexible mechanisms).

Most ACs have also made an effort to promote the adoption of climate change mitigation policies at the local level, by giving technical, administrative and sometimes economic support to local authorities, organized in regional networks of ‘cities for climate’, which have been generally successful in recruiting an ample number of municipal authorities, although impacts and results on the ground may vary.

From the point of view of the content of the policies, the competences of ACs are mostly related to diffuse producers of GHG emissions: transport, urban planning, agriculture and housing. Only four ACs had a climate change plan or strategy in place by January 2008 (the beginning of the Kyoto compliance period), ten more approved one since then, and three are still pending at time of writing. These are very different documents in several respects (for example, in relation to the process of approval, degree of commitment, specification of goals...). In fact, the regional distribution of emission targets is the elephant in the room with regard to climate change policy at the sub-state level. An inventory of emissions by region was only published in 2009, and it shows wide variations in per capita emissions, not clearly related to income levels, since energy production is often located away from consumption centres. Thus, the question of how should emission cuts be divided among regions remains unanswered, and partly as a result of this, most regional strategies do not contain clear goals for emission reductions. This in turn may explain that those plans and programmes contain few if any strong measures, and rely on gradual, traditional measures, like education, subsidies, regulation or direct public investment.
3. Intergovernmental Relations in Spanish Climate Change Policy

Spain is not a federal state and this shows, among other things, in the weak mechanisms for participation of ACs in state-level policy-making and for cooperation and coordination among sub-state governments. The main instruments of this kind are the sectoral conferences, where the central and autonomous ministers of each policy area meet and discuss state-level plans and laws under consideration, and where technical groups from both levels exchange information, advice and expertise. These processes are generally described as fluid and intense, but they are informal, not regulated, so the effective level of influence of ACs on central policy can vary across policy areas, specific issues or even the attitudes of specific ministers. In the case of climate change, the ACs also have a voice in the National Council for Climate, where since 2001 they have about one third of the votes (another third is for central government representatives, and the rest for local councils, interest groups and social organizations). The council reviews and votes on all central government proposals, but its role is only advisory, and it does not review or supervise. None of these instruments are expected to work as bottom up mechanisms for policy initiatives or innovation from the ACs, and they rarely do.
Intergovernmental Dynamics and the Politics of Climate Change in Scotland

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The urgency and scope of climate change not only invites but requires concerted policy action among a multitude of actors, at different levels of governance, each with different powers, priorities and resources. Within this multi-level environment, sub-state governments have become significant players in recent years, by developing their own innovative policies to combat climate change, and often mounting co-ordinated campaigns - through regional networks such as the Climate Group’s States and Regions Alliance - for higher level governments to take action.

1. Scottish Climate Change Ambitions in a Context of Policy Interdependence

Since the establishment of the Scottish Parliament in 1999, successive governments in Scotland have engaged in climate change policy making. The SNP government, elected in 2007, has been particularly enthusiastic in this arena, steering through parliament climate legislation which it has frequently described as ‘world-leading’. The Climate Change (Scotland) Act (2009), passed unanimously by the Scottish Parliament, imposed a statutory obligation on the Scottish government to reduce greenhouse gas emissions by 42% by 2020 and 80% by 2050. The ‘interim’ 2020 target represents the highest statutory target for greenhouse gas emissions of any government, and came in the wake of the UK Climate Change Act which had already put the UK government at the forefront of state efforts to tackle carbon emissions. The promotion of renewable energy has been placed at the heart of Scotland’s climate change programme. The SNP government’s aim is to position Scotland as the European leader in renewable energy production, and has set ambitious energy consumption targets in excess
of those set by the European Union and the UK government. In the 2011 Scottish parliamentary election which resulted in its re-election as a majority government, the SNP committed to sourcing the equivalent of 100% of Scottish demand for electricity from renewable sources by 2020.

Yet, the devolved institutions have limited political autonomy in this field, and the government must operate within an explicitly multi-level environment. The policy fields implicated include some which are primarily reserved to central government under the UK’s constitutional division of powers (energy, fiscal policy, relations with the EU and other states), others that are mostly devolved to the sub-state level (environment, transport, sustainable development, housing, waste), while responsibility for the implementation of the latter policies rests primarily with local government. Meanwhile, setting overall strategies and targets to alleviate the problems of climate change typically takes place at the international or European level, where national governments must speak with one voice, or allow the EU to speak on their behalf in international forums. Thus, in the UK as elsewhere, establishing and delivering a coherent programme of action to tackle climate change requires intergovernmental cooperation between governments and stakeholders at the local, sub-state, national, European and global levels.

2. Intergovernmental Co-operation and Conflict

In the UK, central-devolved government relations have followed a highly informal pattern, with few established mechanisms for frequent multi-lateral intergovernmental co-operation or co-decision. The Joint Ministerial Committees meet periodically to discuss a range of issues, but in the main, intergovernmental relations are conducted in the more frequent bilateral and informal interactions between officials working within the Scottish Government and the Whitehall department most relevant to their field.

In spite of political differences in the composition of Scottish and UK governments in recent years, in the area of climate change, intergovernmental relations have been largely co-operative, reflecting the shared commitment across parties and governments to reduce greenhouse gas emissions and meet Kyoto and EU targets. For example, the UK Climate Change bill was accompanied by a concordat setting out a framework for administrative co-operation to ‘promote close and harmonious working relationships’ and ‘where possible agreement in delivering a coherent cost-effective climate change policy framework’ (HM Government, et al., 2008: 3). Intergovernmental co-ordination was also evident in the development of the CRC Energy Efficiency Scheme, a mandatory scheme aimed at increasing energy efficiency and reducing carbon emissions in large public and private sector institutions.

There has been broad support, too, for the promotion of renewable energy, for example, through negotiating market incentives to promote a renewables obligation on suppliers, and co-funding (along with Highland and Islands Enterprise, Orkney Islands Council, the UK Government and the EU) EMEC, the European Marine Energy Centre Ltd. Scotland’s capacity to generate renewable electricity and its disproportionate installed capacity in onshore wind and hydro electricity has arguably allowed the Scottish government to punch above its constitutional weight, both in energy policy and in liaising directly with the EU on energy-related matters.
Nonetheless, some intergovernmental tensions have emerged. For example, in the energy field, tensions have surrounded the grid transmission-charging regime and the revenues from the Crown Estates, which leases sites for offshore renewable energy. The Scottish government’s fiscal dependence on the UK Treasury has been a source of tension, particularly with respect to the necessity of complying with Treasury rules regarding expenditure limits. For example, the Fossil Fuel Levy, levied by Ofgem on energy suppliers, has amassed in excess of £190 million, which by statute, can only be accessed by Scottish ministers and can only be spent on renewable energy investment. However, Treasury rules on Departmental Expenditure Limits had meant that any money accessed by the Scottish Government through these means would result in a corresponding deduction from the Scottish block grant.

3. The Broader Multi-Level Environment

The Scottish Government shares in the obligations derived from EU directives relating to carbon emissions reductions, renewable energy, waste reduction, etc. UK and Scottish climate change legislation is bound to comply with the EU energy and climate change programme, including a 20% reduction of GHG emissions and sourcing 20% of energy demand from renewables by 2020. The Scottish government has placed the promotion of renewables at the heart of its climate change agenda, but this is unlikely to contribute to meeting an emissions reduction target which is more ambitious than the target set by the EU given the way emissions reductions are calculated and the parameters set by the EU’s Emissions Trading Scheme (ETS).

The net Scottish emissions account is calculated as (i) net Scottish emissions (i.e. GHG emissions attributable to Scotland minus any ‘removals’ of those gases by carbon sinks) AND the net effect of any carbon units bought to offset any emissions or sold to emitters outside Scotland. The rate of greenhouse gas emissions reductions in the ‘traded sector’ - which includes all large-scale energy producers and suppliers and accounts for around 40% of Scotland’s emissions - are set and fixed by the ETS (Scottish Government, 2009). In the view of the Committee on Climate Change, who advise the Scottish and UK governments, without a new global or EU deal to achieve further reductions in emissions, with consequential adjustments to the ETS, the non-traded sector (including transport, heat, agriculture, waste, etc) will have to carry up to 47% emissions and new policies if the 2020 target is to be achieved (Committee on Climate Change, 2010).

The multi-level environment stretches not only ‘above’ the Scottish Government, but also below. Many of those policy areas implicated by climate change policy –
transport, housing, planning, waste management, etc – may fall under the legislative jurisdiction of the Scottish Parliament, but responsibility for policy implementation lies principally with local government. There is no firm evidence to suggest that local government represents a laggard in pursuit of climate change objectives, but there is limited capacity for the Scottish Government to compel local authorities take action to ensure Scotland-wide mandatory targets are met. The Scottish Government provides local authorities with most of their finances, but local authorities now have considerable discretion in how their budgets are allocated, albeit within the parameters of ‘single outcome agreements’ to demonstrate efforts to meet national (Scottish) objectives and indicators, including carbon emissions reductions.

The multi-level nature of climate change policy thus necessitates intergovernmental co-ordination, and in the UK this has largely been informal and co-operative. Across policy fields, the character and style of IGR is shaped by its lack of institutionalisation, the culture of co-operation within the civil service, and the resource dependence which the Scottish government has on the UK government, in constitutional, fiscal and informational resources (McEwen, et al, 2010). In most respects, the climate change objectives of the UK and Scottish governments are compatible, as is their commitment to renewables, and this too aids intergovernmental co-operation.

References

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Title: A Small Nation but a Global Leader amongst Sub-state Governments?

Subtitle: Investigating the Welsh Assembly Government’s climate change and sustainable development activity

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Abstract:

Climate change and sustainable development inevitably transcend nation-state boundaries and require action at different levels of government. Sub-state governments’ contribution to addressing climate change has gradually been recognised globally and they are increasingly involved in implementing international commitments. This paper focuses on the Welsh Assembly Government’s (WAG) contribution. The Welsh case is interesting for a number of reasons. Decentralisation is limited but the Assembly is legally required to promote sustainable development. In addition, tackling climate change requires multi-level working with implications for central-sub-state relations. This is particularly relevant for Wales, where the inter-governmental dimension is extremely important.

1. The Welsh Assembly Government’s Climate Change Competences

In what was regarded as ‘a constitutional development unique in Western Europe’ (Rawlings, 2003: 59), a sustainable development (SD) statutory duty was placed on the National Assembly. Wales was one of the first three governments in the world with such a duty. In the 2006 Act, the duty was transferred to the Welsh Assembly Government. Section 79 (1) requires that: ‘The Welsh Ministers must make a scheme (“the sustainable development scheme”) setting out how they propose, in the exercise of their functions, to promote sustainable development’. WAG’s climate change activity has been framed in the context of this sustainable development duty.

More broadly, Welsh decentralisation is limited. Operating under the Government of Wales Act 1998 from 1999 to 2007, the Assembly inherited secondary legislative powers in eighteen areas and the UK Government retained primary legislative and tax-raising powers. Subsequently, the Government of Wales Act 2006, implemented from 2007 onwards, provided legislative capacity in twenty devolved fields following Westminster’s permission. Weaknesses in the constitutional arrangements resulted in a referendum in March 2011 on granting the Assembly full law-making powers in twenty devolved areas.

Not surprisingly, there is a complex and multi-level division of power between the Assembly Government and central government as regards climate change. The example from the largely reserved matter of energy highlights this point.
### The extent of energy competence in Wales

WAG has devolved competence for energy generation under 50MW on land and 1 MW at sea. Levels above this are a matter for the UK Department for Energy and Climate Change;  
In contrast to Scotland, Wales has no executive powers to grant consent for large power stations. Its requests for these powers between 2005 and 2010 were consistently refused;  
WAG nevertheless has a number of executive powers and duties relevant to energy project consent including planning (WAG, 2010a).

More broadly, the UK Climate Change Act 2008 provided specific powers including placing a duty to combat climate change on Welsh Ministers in relation to Wales. It transferred power to make regulations for trading schemes associated with greenhouse gas emissions in devolved matters. It also devolved powers to make regulations for charging for single use carrier bags. Beyond this, efforts to request further climate change related powers from Westminster have been limited to devolving building regulations powers to Welsh Ministers from 2012 to ensure that all new buildings are zero carbon (WAG, 2009).

### 2. WAG and Climate Change: Key Targets and Actions

Whereas climate change gradually gained greater attention during the Assembly’s first two terms (1999-2007), the Assembly Government’s most concerted policy activity to tackle climate change has been during its third term (2007-11). The ‘One Wales’ coalition agreement between the Labour Party Wales and Plaid Cymru committed to using sustainable development as the central organising principle for all WAG activities and argued that climate change was a key global threat. It set the ambitious target of ‘annual carbon reduction-equivalent emission reductions of 3% by 2011 in areas of devolved competence’ (WAG, 2007: 31).³ It is viewed as broadly equivalent to the requirements of the Climate Change Act on the UK government, but more challenging due to focusing on areas of devolved competence.

A key cornerstone to achieve the target was the Climate Change Strategy and its Adaptation Delivery Plan and Delivery Plan for Emission reduction published in October 2010 (WAG, 2010b; WAG, 2010c; WAG, 2010d). The documentation recognises and clearly illustrates the overlaps and inter-relationships with the UK and EU policy context and targets and the resulting constraints and opportunities for WAG’s climate change activity. In its sector-by-sector outline of emissions reduction targets and actions, WAG sets out the UK Committee on Climate Change’s key actions, WAG’s main levers and powers of influence, and the implications of UK and EU policies and programmes. Specific policies include focusing on maximising the potential from renewable energy, particularly microgeneration. Addressing climate change from the context of sustainable development has also resulted in innovative programmes such as Arbed: a strategic energy, performance and investment programme based on delivering energy efficiency in low-income communities in Wales’ regeneration areas.

³ The target of 3% is defined in the Climate Change Strategy. In brief, it includes all ‘direct’ greenhouse gas emissions except those from heavy industry and power generation (covered by the EU Emissions Trading Scheme). The latter emissions will however be recognised by being ‘assigned to the end-user of electricity’ (WAG, 2010b: 34).
Essentially, the Assembly Government’s approach recognises the competence constraints, and emphasises maximising the effect of its current devolved competences to develop a Welsh approach that attempts to add value to the UK Government’s activity.

Constraints on WAG’s competences do not deter it from aiming to be an international exemplar and ‘play an important role in demonstrating leadership on climate change issues’ (WAG, 2010b: 4). Since 2003, it has been a prominent and active member of nrg4SD (Network of Regional Governments for Sustainable Development). WAG has played a highly visible international role in representing sub-state governments within global decision-making and gained an international platform for its climate change policies. WAG is also one of the first pilot regions with the Umbale region of Uganda of the UNDP’s Territorial Approaches to Climate Change (TACC) projects to develop North/South partnerships to promote climate change solutions. This has received financial support from the UK’s Department for International Development.

3. WAG and Climate Change: The inter-governmental Dimension

There is strong recognition that building close relations with the main relevant UK government departments, the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (DEFRA), are vital for WAG climate change activity. WAG attempts to inform UK-level policy framework to ensure that Welsh interests and needs are taken into account and maintained in the development and delivery of specific UK-level climate change actions. Inter-governmental relations are characterised by regular involvement between WAG officials and their counterparts in central government departments and with UK-level climate change related bodies. This takes place informally and through institutionalised mechanisms for joint working on climate change on specific work streams and policy areas such as the UK Climate Change Risk Assessment (CCRA) and the UK Climate Impacts Programme (UKCIP).

The main focus of relations with the UK level has been the domestic implementation of climate change policies. WAG has also attempted to influence the UK’s international position. In the context of the Copenhagen Climate Change Summit 2009, WAG supported the UK line and called on the UK Government to commit to 30 percent reductions by 2020 and to influence further European agreement. WAG also gained ministerial support (Ed Miliband) to recognise sub-state governments engagement in the climate change agenda to feed into the UK and EU delegation positions. It participated in the UK Delegation at two Council of Environment Ministers meetings, to promote a strong EU line at Copenhagen. As Minister for Environment, Sustainability & Housing, Jane Davidson also attended the COP16 United Nations Climate Change Conference in Cancún in December 2010 as an official member of the UK delegation at the invitation of Chris Huhne, the UK Government’s Energy and Climate Change Secretary.

Conclusion

Despite being a small nation, the Assembly Government has aimed to be an international exemplar on climate change in the context of its sustainable development duty:
By making clear commitments, developing a realistic delivery plan... we can provide a powerful demonstration that successful action is possible and provide an approach that other countries can consider and apply at home (WAG, 2010b: 19)

Its limited autonomy places constraints on the Assembly Government’s climate change actions, as evidenced by the Climate Change Strategy. It has focused on devolved competences and to be proactive in influencing UK government level decisions and actions. Questions have been asked regarding WAG’s climate change strategy’s potential effectiveness. One issue is the aim to achieve the 3% emissions cuts annually with public investment of less than £1bn, compared to the £8bn estimated cost of achieving Scottish carbon emissions reduction targets (Shipton, 2010).

Many factors contribute to explaining the Assembly Government’s efforts to be innovative. Amongst these is the sustainable development duty. It has provided an additional impetus for the Assembly Government’s climate change activity and enabled communicating the need for Welsh action both domestically and internationally. Also important has been the high level political commitment amongst Welsh Assembly Government ministers. The strong ministerial lead given by Jane Davidson as part of the ‘One Wales’ government in particular promoted a robust and cross-government approach both to SD and climate change and was also recognised in Whitehall. These same factors have facilitated WAG’s leadership position within relevant international networks such as the nrg4SD. The fact that WAG is a member of the Climate Group alongside a select number of other regions with greater autonomy and economic capacity signals the recognition of its action in these areas. WAG is clearly a government to watch to assess whether its climate change action policies will result in this small nation being a global leader on climate change.

References
EU City Governance and Transition to Low Carbon Heat and Power

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1. Cities as Practitioners of Energy Transition: Aspirations in Europe

European cities are perceived by nation-states and supra-state bodies as critical to the skills, knowledge and investment which drive innovation. In the context of deregulated markets, recession and shrinking public finances, they are also looked to for leadership in transition to low carbon energy systems. This is exemplified in transnational networks such as the EU Covenant of Mayors whose signatories set ambitious targets for reduction of CO$_2$ emissions, energy efficiency and clean energy production. Central to the progressive view of devolved energy transition is the idea that cities can combine their efforts to improve quality of life in Europe through resilient and reliable energy services. In theory, such networks can craft a consensus between different interests, in a depoliticised public sphere, where transition ‘roadmaps’ and ‘scenarios’ offer a common framework. Municipal authorities are regarded as having multiple roles as political mobilisers, upholders of the public interest in equitable services, enablers of strategic partnerships, intermediaries ‘joining up’ policy across functions and sectors, brokers of knowledge and divisions of labour, coordinators between arenas and levels of governance, and standard bearers for good governance (Betsill and Bulkeley, 2006; Hodson and Marvin, 2009). But there are questions about their ability to be agents of a progressive politics, given the political-economic context.

2. Regulatory Frameworks, Regime of Capital Accumulation and Differential City Governance Capacities

Renewed emphasis on the agency of cities raises questions about the degree to which all cities share common skills and expertise in governance. Both Gothenburg and Glasgow, for example, aspire to public recognition for achievements in sustainable resource use, and are in many ways similar urban locales. Their political economy and energy infrastructures are, however, very different: Gothenburg has publicly-owned district heating systems which supply more than 80% of total heating demand, much of which is already low-carbon; Glasgow has high levels of fuel poverty and is reliant on centralised, privately-owned, gas and electricity production, dominated by fossil fuels, through the national grid and mains network. Sweden has had a long-standing social democratic tradition of equity in public services, with strong municipal authorities and energy services integral to welfare provisions. The UK has weak local government, and a centralised ‘command and control’ model of energy supply, in a complex market framework, with consumer choice of, mainly transnational, suppliers.

Differences between Gothenburg and Glasgow stem more from qualities of the
regulatory regime than from specific qualities of each city. A key difference between EU states is in the contrast between a framework for municipal energy and a framework for liberalised, trans-national, energy markets. In the former case, municipal authorities have been unified providers of utilities, with direct regulatory power and operational control over local energy services notably established in Sweden, Denmark and Germany. In the UK, the privatised energy market is dominated by vertically-integrated firms, whose priority is to maximise shareholder returns on investment. Municipal authorities perceive themselves as having little or no responsibility as providers. There is a degree of convergence within the EU around liberalised energy markets, with diminished municipal (and state) control of energy prices, investment and supply policies. Privatised utilities have thus become ‘shadow’ actors in multi-level governance of energy transitions, while also becoming less accountable at local or state levels. The concept of governance itself can be associated with the creation of liberalised markets and the requirements of competition between providers.

3. Liberalising Energy Markets and Localising Energy Transition

A double move is taking place in energy services, with liberalisation stimulating transnational concentration of suppliers, while public policy seeks to devolve more responsibility to local levels for low carbon transition. Liberalisation, however, constrains local powers and requires new forms of market-oriented governance through public-private partnerships and contracting. The dominance of neo-liberal political economy since the 1980s has been associated with emphasis on economic competitiveness of states in a global economy, rather than social equity and welfare (Jessop, 2002). Cities are positioned differentially according to their location in a state which devolves different degrees of responsibilities and/or resources, and according to their capacity to command resources valued by the central state in its competitive strategies.

This raises questions about the capacity of municipal authorities to function effectively in systems where there is ‘a lack of generally accepted rules, procedural norms and organisational capacities’ (Monstadt, 2007: 340). If cities are to govern energy transitions after privatisation, their public authorities must be able to handle strategic energy planning, as well as negotiating and managing energy contracts, including complex EU rules of competition and procurement, enforce quality standards and energy efficiency, and audit performance. Heightened emphasis is placed on skills of political persuasion, influence and mediation, rather than governing through statutory control. Cities may be differentially positioned as either ‘showcases’ for transnational capital and/or as competing players in global competition for growth (Hodson and Marvin, 2009). Energy transition may be ‘captured’ as a vehicle for economic growth and command over scarce resources. Cities thus work under constraints not of their own choosing, and may or may not try to lever resources to further a politics of social justice. Cities are tacitly encouraged to draw boundaries around what they are and are not responsible for in relation to emissions and transitions. Those aspects of sustainability which can be aligned with other priorities (particularly growth) are likely to be favoured while others are marginalised. The optimistic discourse of progressive governance through horizontal transnational networks, such as that exemplified in the EU Covenant of Mayors, may therefore be ‘swimming against the tide’ of global finance capital.

Where does this leave small cities? Can they emulate ‘global cities’ or will they be relatively marginalised? Our research focuses particularly on Edinburgh and Glasgow, both with plans for decentralising energy as a means to secure resilient and affordable energy services, although they have different strategies for managing transition. Glasgow has a top-down approach involving partnerships between council, university, government and businesses and aims to draw in international investors. Edinburgh has a more dispersed approach with partnerships between council, social enterprise, businesses and community groups. The research examines what forms of social, political and economic compromises are embedded in the material infrastructures of energy systems. It begins by exploring European successes and failures in development of heat networks in order to produce a preliminary blueprint for successful development in the UK context. We aim to understand how/whether new communities of practice can be formed around district heating and how their constituents and dynamics shape the development of heat networks and the distribution of associated costs and benefits. We will examine the roles of local authorities, community engagement, the interactions between ‘locals’ and cosmopolitan communities of finance and expertise, the scaling up of niche developments, and the scope for municipal leadership.

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