

The social construction of a mandatory quota for biofuels in Germany

A discourse-analytic perspective



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Biofuels Policy in Germany

- **As of the beginning of the 2000s**
 - Comprehensive tax exemption for all biofuels
 - Massive rise of biofuel production and use in Germany
 - From less than 1% to 7.2% in 2007
- **2006/2007**
 - Policy instrument change from tax exemptions to mandatory quotas
 - Significant implications of this policy instrument change
 - Share of biofuels dropped significantly in the following years
 - From 7.2% in 2007 to 5.5% in 2009
 - Especially pure biofuels are not demanded anymore
 - Use dropped from 1.8 m tons in 2007 to 0.1 m tons in 2011
- **Ever since**
 - Heated debates on the right course regarding biofuels policy

Policy instruments from a social constructivist perspective



- **Policy instruments are “socially constructed practices whose meaning and legitimacy are constituted and reconstituted over time” (Linder/Peters 1998: 41)**
- **Policy instruments are (not only) technical devices that are readily available and inherently politically neutral**
 - Rather policy instruments are conceived as carriers of “ideas and a representation of the world (or at least a policy problem)” (Kassim/Le Galès 2010: 5)
 - The aim of policy instrument research from this perspective is to disclose these underlying ideas and representations
- **Policy instrumentation is crucial**
 - How is a policy instrument socially constructed?

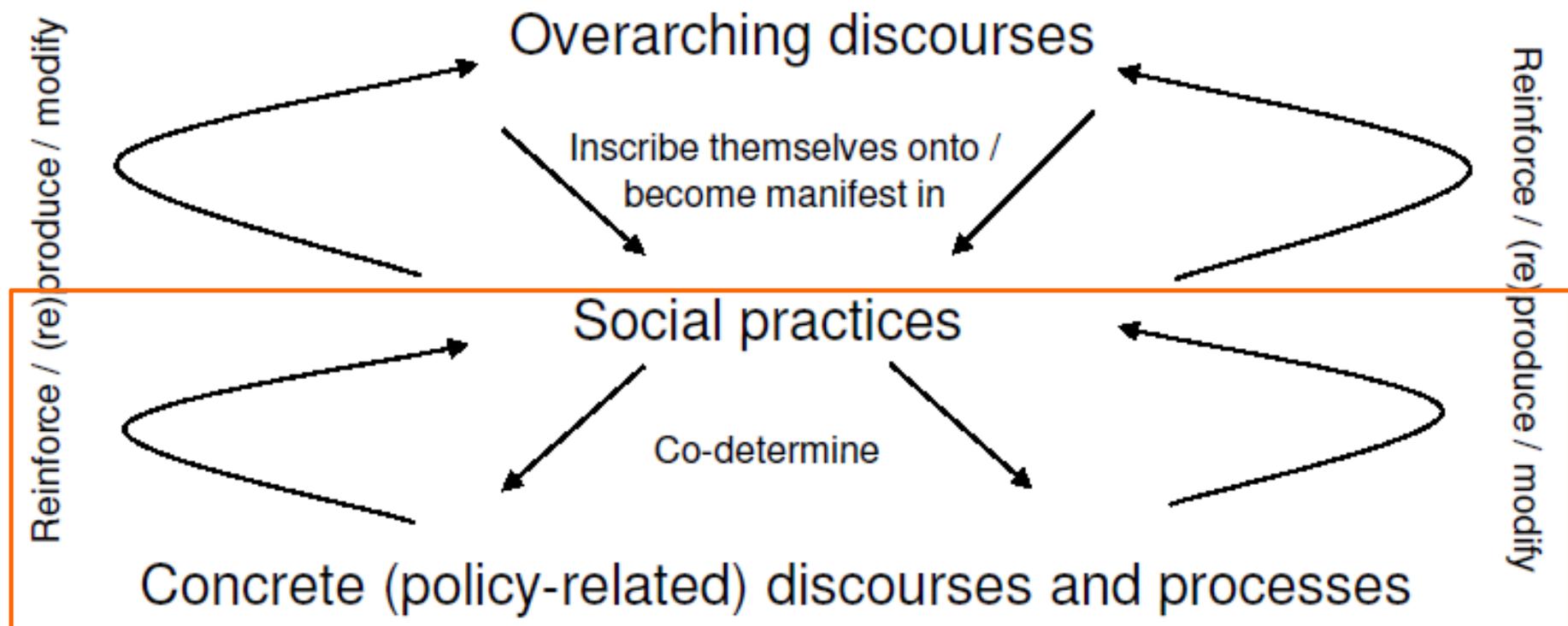


Discourse analysis and discourse coalitions

- **Discourse as a conceptual access point**
 - Policy instruments are socially constructed through interpretation
 - All interpretation takes place within and through discourse (thick discourse theory)
- **Definition of discourse and analytical approach** (both roughly relying on Hajer (1995))
 - Definition
 - Discourse is defined as “a specific ensemble of ideas, concepts, and categorizations that are produced, reproduced, and transformed in a particular set of practices and through which meaning is given to physical and social realities” (Hajer 1995: 44)
 - Discourse Coalitions Approach
 - “Defined as the ensemble of (1) a set of story-lines, (2) the actors who utter these story-lines; and (3) the practices in which this discursive activity is based” (Hajer 1995: 65)



Analytical framework I



Step 1: Analysis of concrete (policy-related) discourse coalitions (based mainly on document-analysis and a few interviews)

Discourse coalitions in German biofuels policy instrumentation discourse I



- **Until 2000: homogeneous discourse**
 - Biofuels are interpreted primarily in the context of agricultural policy practices
 - Only one discourse coalition
 - Organized around storylines / narratives that can be understood in the context of agricultural policy practices
- **Until 2003: discursive diversification**
 - Biofuels are interpreted in the context of other practices
 - Renewable energies, technological innovation, climate change
 - Massive increase of meaning related to biofuels
 - Until 2003, however:
 - No bigger conflicts, because everything was still vague
 - No consolidated alternative discourse coalition

Discourse coalitions in German biofuels policy instrumentation discourse II



- **Between 2003 and 2006:**
 - Discursive diversification continues
 - Actor constellation also diversifies
 - Begins to be reflected in more tangible action
 - Examples:
 - Fuel Strategy of the German Government
 - Biomass Action Plan/Strategy for Biofuels of the EC
 - In these contexts, biofuels were increasingly interpreted as something that has to be produced on a large scale, integrated into global trade flows and without state intervention in order to be meaningful
 - Tax exemptions in this context were framed as an inferior instrument
 - Typical market-based arguments are used for this
 - “The roaring, growing market for biofuels is subject to the laws of cost and efficiency. (...) We will not and we must not stop this development with tax subsidies“
(Schultz 2007; own translation).

Discourse coalitions in German biofuels policy instrumentation discourse III

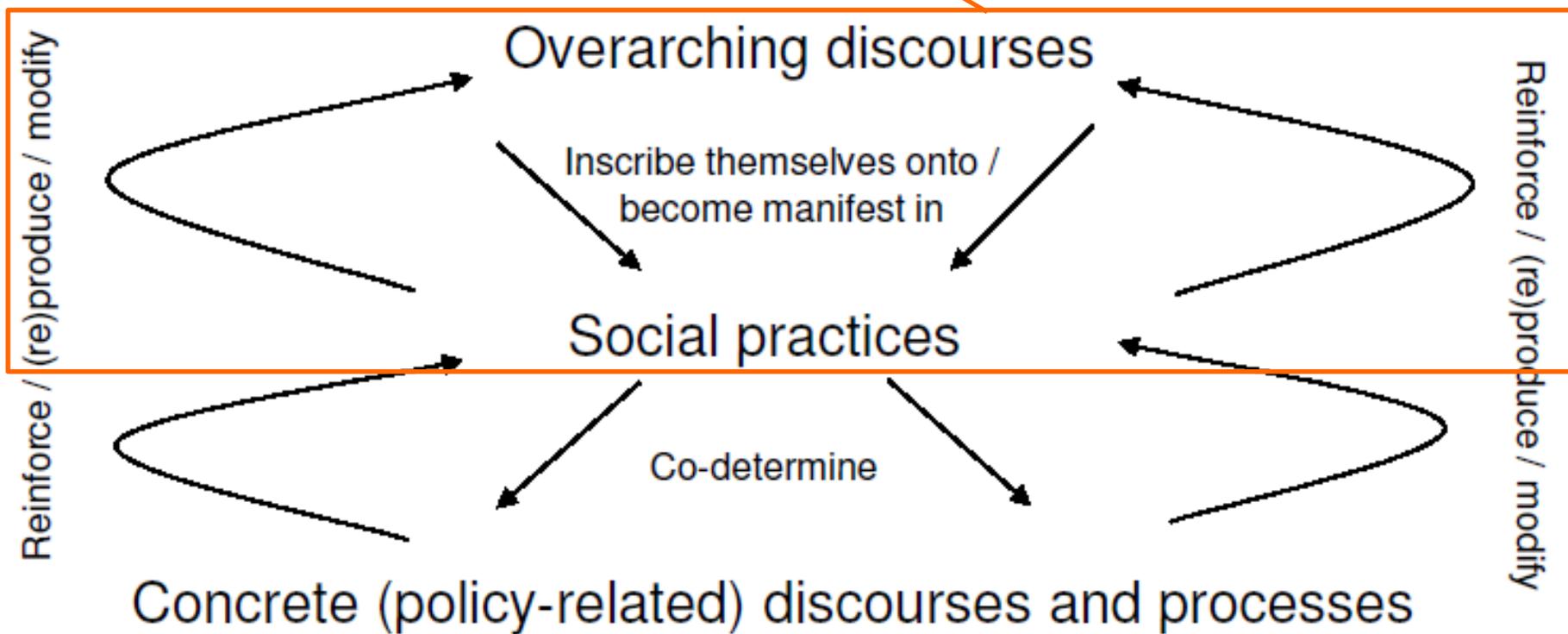


- **Roughly two discourse coalitions**
 - “Traditionalist” (pro tax exemptions)
 - Centering on story lines on
 - rural economic cycles, jobs and income in rural areas, pure biofuels
 - Actors uttering these story lines mainly coming from
 - 1st generation biofuels industry and RE associations
 - Discursive activity is based in practices of
 - Small-scale, decentralized and state-protected domestic agricultural production
 - “Industrialist” (pro mandatory quotas)
 - Centering on story lines on
 - large potentials, efficiency, cost-effectiveness, blended biofuels
 - Actors uttering these story lines mainly coming from
 - Mineral and automotive industries, most ministries, EC
 - Discursive activity is based in practices of
 - Large-scale marketization, technological innovation, global trade and reducing state expenditure



Analytical framework II

Step 2: Contextualizing the concrete (policy-related) discourse coalitions (based mainly on the analysis secondary literature)



Agricultural discourses



- **Three relevant agricultural discourses**
 - Neo-mercantilist discourse
 - Emphasizing the function of the state in safeguarding farmers' productive capacity and export potential
 - Multi-functionalism discourse
 - Social welfare justification of state assistance for domestic agriculture based on ancillary functions such as biodiversity, landscape, etc.
 - Neo-liberal agriculture discourse
 - Emphasizing the benefits of a retreat of the state and of liberalized markets in agriculture
- **Conflicts between these discourses as an interpretive frame**
 - The rise of the neoliberal agriculture discourse means a specific challenge to the neo-mercantilist and multi-functionalism ones
 - The struggles about biofuels policy instrumentation should be interpreted in the context of these overarching discursive struggles



Budgetary discourse

- **Discourse of fiscal rectitude**
 - Deficit reduction has become a major priority for governments
 - Argument: important for attracting scarce financial capital and for achieving an internationally competitive economy
 - Almost taken-for-granted
 - Budget-cutting activities are often justified by this
 - Numerous examples for this argumentation from the debates about biofuels policy instrumentation
 - State expenditure is discursively framed as counterproductive
 - Low value placed on possible fiscally positive impacts of state expenditure
 - **Alternative interpretations of state expenditure are only rarely audible also in the case of the biofuels policy instrumentation discourse**
- **The case of biofuels policy instrumentation can be read as fitting well into the broader budgetary discourse of fiscal rectitude**

Conclusions on contextualising the German biofuels policy instrumentation discourse



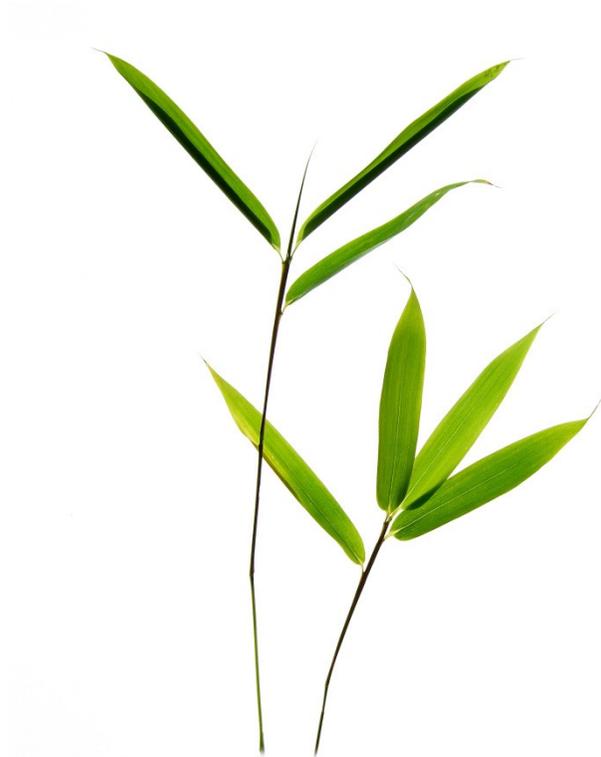
- **The rise of a neoliberal discourse in both of the two sectors provide a specific neoliberal interpretive frame**
 - In this context, tax exemptions for 1st gen biofuels appear as ineffective, inefficient, and costly;
 - while mandatory quotas appear as more cost-effective, efficient, and positive for the public budget.
- **In this case, the neoliberal interpretive frame turned out be more influential**
 - This is, however, contingent and could have easily been the other way around
- **A discourse-analytic perspective can show how policy instruments are not only technical devices, but carriers of specific meanings and representations of the world**



Conclusions with respect to MBIs

- **Market-based arguments have been very prominent in the German biofuels policy instrumentation discourse**
 - They have, however, been almost exclusively attributed to mandatory quotas
- **This attribution seems almost entirely arbitrary resp. relying on a specific understanding of what cost-effectiveness or efficiency means**
 - In this context, neoliberal policy features like a retreat of the state, global free trade, and large-scale marketization are discursively constructed as being inherently more cost-effective and efficient
- **MBIs: a case of neoliberal discursive contamination?**

Thank you for your attention.



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