



universität
wien

MASTERARBEIT

Titel der Masterarbeit

“Conflicts within climate policy making in Austria – the
case of climate change sceptics”

Verfasser

Adam Pawloff, BA

angestrebter akademischer Grad

Master of Arts, MA

Wien, 2012

Studienkennzahl lt. Studienblatt: A 066 824

Studienrichtung lt. Studienblatt: Politikwissenschaft

Betreuerin / Betreuer: PD Dr. Markus Wissen

Abstract

Climate change sceptics or 'contrarians' have been investigated thoroughly in the Anglo-American world. In Austria such an analysis has not been conducted to date. Starting with a narrow concept of climate change scepticism the idea is broadened, from actors who call the science of climate change into question to include actors who challenge climate change policy. It is argued, that if the goal of argumentation is to hinder regulations, then the arguments employed are contrarian.

On the basis of this broadened concept of climate scepticism, two of the four pillars of the European climate and energy package, renewable energy and emissions trading – specifically their implementation in the Austrian national context – are analysed using an adapted version of Bas Arts method of triangulation, including document analysis and expert interviews. The investigation focuses specifically on the conflicts surrounding these policy measures, upon the actors involved, their channels of influence and the arguments employed. This is complemented by an analysis of interest politics in Austria from the perspective of structural (Offe) or strategic (Jessop) selectivity of the state. The analysis focuses specifically on the historical contingency of power of specific organisations and the consequences this has for climate policy.

Klimaskeptiker wurden im angloamerikanischen Raum eingehend analysiert. Eine solche Analyse fehlt bislang für Österreich. Beginnend mit einer beschränkten Definition der Klimaskepsis wird der Begriff, der ursprünglich Akteure die die Klimawissenschaft in Frage stellen bezeichnet, um solche erweitert die die Klima(wandel)politik in Frage stellen. Wenn das Ziel einer Argumentation die Verhinderung effektiver Klimapolitik ist, dann sind die Argumente klimaskeptisch unabhängig davon ob sie Klimawissenschaft oder Klimapolitik in Frage stellen, so das Argument.

Auf Basis dieser erweiterten Definition der Klimaskepsis, werden zwei der vier Säulen des Europäischen Klima- und Energie Pakets, erneuerbare Energien und Emissionshandel – speziell die Umsetzung in der nationalen Politik – analysiert.

Zur Analyse wird eine adaptierte Version des Zugangs der Triangulation von Dokumentenanalyse und ExpertInneninterviews von Bas Arts angewendet. Die Untersuchung behandelt insbesondere Konflikte in der Implementierung dieser Maßnahmen, die involvierten Akteure, deren Einflusskanäle und die eingesetzten Argumente. Diese Analyse wird durch einen staatstheoretischen Blickwinkel auf österreichische Interessenorganisationen aus der Perspektive der strukturellen (Offe) und strategischen (Jessop) Selektivität ergänzt. Hierbei liegt der Fokus auf der historischen Bedingtheit der Macht einiger Interessenorganisationen und die sich daraus ergebenden Konsequenzen für die Klimapolitik.

Table of Contents

1. Introduction.....	4
1.1 Research Questions	5
1.2 Theoretical Approach	8
1.3 Methods.....	11
1.4 Structure of the Thesis.....	15
2 Climate Scepticism – Definition and Debate.....	16
2.1 Examples from the United States	17
2.2 The bigger picture.....	19
2.3 Consequences for analysis in the Austrian framework	20
3 Climate Policy.....	23
3.1 EU	24
3.2 Austria	25
3.2.1 Actors	26
3.2.2 Legislative Process.....	28
4 Emissions Trading	31
4.1 EU Level.....	31
4.2 Austria	34
4.2.1 National Allocation Plans	35
4.2.2 Emissions Certificates Act - Amendment 2011	42
5 Green electricity act.....	44
5.1 EU Level.....	45
5.2 Austria	45
5.2.1 2006 Amendment	46
5.2.2 Green electricity act 2012.....	52
5.2.3 Conflicts surrounding renewable energy in Austria.....	58
6 Interest Politics in Austria	62
6.1 Social Partnership	64
6.2 Historical Development of Interest Politics in Austria.....	66
6.3 Consequences for Climate Policy	68
7 Conclusion.....	71
8 References	75
8.1 Primary Sources	75
8.2 Secondary Sources	79
8.4 Web Links.....	82
9 Annex	84
9.1 Summary of exploratory interviews.....	84
9.2 Classification of contrarian arguments in the project CONTRA	85
9.3 Market Price of Electricity	86

Tables and Figures

Table I: Business-as-Usual, Allocation and Emissions for NAPs (mill. tons)	38
Table II: Business-as-Usual, Allocation and Emissions for NAP II (mill. tons)	40
Table III: Comparison of provisions within feed-in tariff regulations 2002 & 2006	50
Table IV: Comparison of provisions within feed-in tariff regulations 2009 & 2010	52
Figure I: Total renewable energy support volume (mill. Euros)	51
Figure II: Market price for electricity (Euro/MWh)	86

1. Introduction

In the United States, climate change ‘contrarians’ and their influence on politics have been well documented (see chapter 2). In German speaking countries, individual climate scientists have devoted considerable time and energy to refuting the arguments of contrarians (i.e. Rahmstorf 2004) however the influence of such actors and their arguments on politics has thus far gone un-investigated. The project CONTRA¹ upon which this thesis is based and the thesis in particular aim, at least in part, to close this research gap with regard to Austria.

Although contrarian arguments can be found in Austrian media every so often, they tend not to be voiced within institutionalized politics. A justified question then may be, upon what grounds should the influence of ‘contrarians’ on Austrian policy-making be analysed? One motivation behind this project was the fact that Austria, one of the world’s wealthiest countries, with a rich history of environmental action and significant potential for achieving climate mitigation action, is one of the European laggards concerning emission reduction targets within the Kyoto Protocol framework². Given this seemingly conflicting situation, there seems good reason to assume that ‘contrarians’ manage to exert influence within the Austrian political system too.

For the purpose of this analysis two aspects of climate policy in Austria have been selected. On the one hand emissions trading from an Austria-specific perspective will be analysed. The other subject matter investigated within this context is the green electricity act (GE-Act, German: Ökostromgesetz). Within emissions-trading, analysis will focus on the development of the two Austrian National Allocation Plans (NAP), for the first ETS trading period, 2005 – 2007

¹ This thesis is part of a multi-institutional and inter-disciplinary research project funded by the Austrian Climate and Energy Fund, entitled *Contrarians - their role in the debate on climate-change and their influence on the Austrian policy making process* (CONTRA). The project itself concurrently follows several different but interconnected aims. On the one hand, several project partners aim to create a detailed and differentiated classification of the diverse ‘contrarian’ arguments which are voiced in many different contexts. Two further work packages within the project, are conducting a media analysis on climate change in German speaking print media and a network analysis of the different actors involved in climate politics – and as a result also ‘contrarians’ – primarily in the German speaking realm, but also including international linkages. The work package upon which this thesis is based, aims to analyse the influence of ‘contrarians’ on the Austrian – and in a small comparative study also German – policy making process. A final aspect of the project takes a look at the ethical implications of climate scepticism, from a theological perspective.

² <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=de&pcode=tsien010&plugin=1> (accessed: 04.10.2011)

and for the Kyoto commitment period 2008-2012 on the one hand, and upon amendments to emissions trading for the post 2012 framework on the other (it should be noted at this stage, that the analysis soon made clear that for the third phase of EU emissions trading much decision-making competence has been transferred to the European level and as such this thesis has focussed primarily on the development of the NAPs and less on the 2011 amendment of the Emissions Certificate Act – EC-Act; German: Emissionszertifikatgesetz or EZG – than was initially planned). In the context of renewable energy the amendments to the legal framework in 2006 and 2011 (Green electricity act 2012³) will be investigated. The reasoning behind this selection is that, on the one hand two of the three major issues within the EU climate and energy package 2008⁴ are addressed (these being emissions reductions, renewable energy and energy efficiency⁵). On the other hand this material constitutes aspects of climate policy, which are both very visible and incur large costs for both industry and consumers. The choice of these policy areas was also confirmed in the context of the exploratory interviews (see Annex I) conducted at the beginning of this research. As will be discussed in detail in chapters 4 and 5, the aspects of the material which will be focused upon were constituted by diverse interests and conflicts over distribution of costs and as such, so the initial hypothesis, prone to the adoption of arguments in the sense of climate policy sceptics (to be discussed in chapter 2).

1.1 Research Questions

As the title of the project upon which this thesis is based suggests, the primary aim of this analysis is to investigate the influence ‘contrarians’ have on Austrian climate policy making. As will be discussed in chapter 2, the definition of ‘contrarians’ in this case includes actors who employ argumentation of an economic nature to argue against the implementation of effective climate change mitigation policy. The underlying hypothesis is that actors will, on the whole, pay less attention to legislation without binding targets and focus upon policy where

³ Although an amendment was originally planned, the changes were so significant that the Austrian legislature opted to create a new law (Ökostromgesetz 2012).

⁴ http://ec.europa.eu/clima/policies/package/index_en.htm (accessed: 14.10.2011)

⁵ The fourth pillar or the climate and energy package is carbon capture and storage, but to date this is not attributed the weight of the other three policy areas.

large costs in implementation are incurred. In this regard, two aspects of Austrian climate policy – emissions trading and renewable energy as discussed in the introduction – have been identified, upon which the analysis will be based.

The over arching question in this thesis – and the motivation for the underlying project as a whole – is why Austria is a European laggard on climate (Kyoto) policy. The aim of the thesis in this context is to look at the role of climate sceptics and their arguments in Austrian climate policy making. Determining influence however – particularly attributing a particular outcome in a complex system to a particular action on the part of a particular actor in the form of a cause-effect relationship is pretty much impossible. As Bas Arts states, „any quantitative or qualitative determination of political influence remains after all an *informed guess*“ (1998: 74, italics in original).

Accordingly, the strategy pursued to operationalize the aim (formulated above) of this analysis is to identify conflicts surrounding the elements of climate policy discussed in the introduction, examine the arguments employed within these conflicts and the actors involved. Accordingly, the following questions are posed:

- What are the central conflicts surrounding climate policy in Austria?
- Which actors in Austria are involved in the conflicts identified?
- Which formal and informal channels of influence are pursued by these actors?
- Are ‘contrarian’ arguments employed, and if so which types of arguments and by whom?

Through the analysis of the conflicts surrounding critical elements of climate policy as well as the actors involved and the arguments employed, the influence of certain actors and arguments upon these policy areas has been extrapolated. Within the expert interviews conducted, direct questions relating to the influence of certain actors on certain policy were asked, when and where appropriate. As such, a further question posed within this thesis is as follows:

- To what extent do actors employing ‘contrarian’ argumentation identified, manage to influence the Austrian policy-making process?

As stated above, this analysis will focus upon two aspects of climate policy making in Austria. Although being far from exhaustive, the two case studies involve central and important parts of climate policy in Austria and, as such, will offer a comprehensive overview of the actors and conflicts therein. The analysis of climate sceptical actors and the arguments employed – specifically the analysis of arguments against climate *policy* – will provide a valuable and new contribution to the debate surrounding climate scepticism and the investigation there of.

On the other hand, it should also be noted, that any analysis of influence also has certain limitations. Although such an analysis – if successful – will shed light on the question, *if* – in this case - climate sceptic actors managed to influence a particular political process, but not *why* they manage to do so.

As such, this analysis aims to go beyond the mere investigation of influence and look at the selectivity of the Austrian state in the sense of Offe or Jessop (see chapter 1.3), in an attempt to explain *why* the state is responsive to certain interests and as a result, biased toward specific policies:

- How can the influence of climate policy sceptics be explained?

It is assumed that specific characteristics of the Austrian state – in particular corporatism – make it particularly responsive to certain interests. Through the case studies, this analysis aims to identify the manner in which corporatist actors are involved in the Austrian political system, where specific relationships between interest groups and government and the parliament exist, and how these actors are mutually interdependent. This analysis will be complemented by a review of relevant literature and dealt with separately in chapter 6.

1.2 Theoretical Approach

The research questions in this thesis pose two theoretical challenges. On the one hand, quantifying the influence of actors requires a suitable definition and operationalisation, upon which influence can be assessed. However a mere analysis of influence would not require deeper investigation into the subject (the policy making process, in this particular case) upon which influence is being wielded. The policy-making process in this case is assumed to be neutral – a so-called black box – that can be influenced.

Explaining why specific actors possess the capacity to influence the policy-making process, requires an analysis of the actors which constitute the policy making process, of the power relationships between them, and the particular way in which the (Austrian) state is constituted.

A good starting point in relation to influence is the seminal dissertation of Bas Arts, who investigated the influence of NGOs on the climate and biodiversity conventions. Arts defines “‘success’ in terms of political influence ... as the achievement of one’s policy goals through one’s own, intended, intervention in ... politics” (Arts 1998: 30). Going one step further he cites Huberts who states that “A player exercises political influence if his presence, thoughts or actions cause a political decision-maker to meet his interests or objectives more than would have been the case had this player been absent.” (1994: 39 cit. in Arts 1998: 57f). This definition, however, refers to the influence of a specific actor on another specific actor, i.e. the decision-maker. For the purpose of Arts’ study, but also for this thesis, the point of interest is not specifically influence on a *decision-maker* but on “the collective *policy outcome*” (Arts 1998: 58 italics added). Hence the definition of political influence focuses on the outcomes of policy-making, and “*political influence is defined as the achievement of (a part of) one’s policy goal with regard to an outcome in treaty formation and implementation*”⁶ (ibid). Hence the focus is on “*product*” rather than “*process*” influence (ibid 59). As such, “political influence implies that the policy outcome concerned is more in line with

⁶ Here Arts definition is specific to the context he studied (i.e. the formulation of the climate and biodiversity conventions. For the purpose of this analysis, treaty formulation and implementation can be replaced with the material in question (i.e. the Austrian NAP 2008 – 2012, as well as the various amendments to the emissions certificate and renewable energy laws under investigation.

the policy goal of the player involved than would have been the case had the latter not intervened” (ibid).

Binding the concept of influence to an effect makes it more precise, or easily measurable, as it implies an empirical change in condition (see Seifer 2009: 117). As such the focal point changes from the influence of one actor on another, as defined by Huberts – as it is “nigh on impossible” to show direct “influence on decision makers in data” (ibid: 119, translation from the German original) – to influence on (the end product of) political processes. This makes sense, as influencing decision makers is clearly the means and not the end of lobbying or other strategies. To be able to measure influence, preferences of the actors in question need to be objectively condensed in the form of a concrete political agreement⁷ (see ibid). This definition of influence also aids the operationalisation of the concept because if “political influence is the implementation of preferences in the end result, then the preferences of the actors are an ideal indicator to determine the political influence” (ibid: 129).

Arts approach is based upon an analysis conducted within a very particular setting – the Rio Earth Summit. In this condensed form of a political process, the preferences of actors under investigation – NGOs – were readily identifiable in the form of verbal communication (plenary statements and interviews) and written documentation (position papers, press releases, websites etc.) published in and around the conference.

The material and actors under investigation in this context are different in several respects. On the one hand, parts of the policy-making under investigation took place several years back. Whereas statements made by NGOs tend to be fairly unequivocal, actors in the context of this analysis often purport to support legislation (some of which may be meant quite sincerely), but argue against specific targets, methods of allocation etc.

Furthermore, preferences are also not available in written form (no statement made, but informal discussions with ministries held). As such, much is borrowed from Arts approach for the investigation of influence in the context of this thesis, in particular the idea of triangulation of document analysis and expert interviews with actors from ministries and parties as well as from interest groups

⁷ Kathrin Seifer defines concrete political agreement as a treaty, strategic paper, statement of intent, or binding legislation.

themselves, to determine the influence of actors on the policy making, but the approach is adapted where appropriate or necessary.

The approach described above can give an indication if certain actors have influenced certain policies. Such an influence-theoretical approach however is limited, as it cannot explain *why* certain actors manage to influence policy making, and why others do not. As such, definitions of influence need to be supplemented with the theoretical idea that “the success of influence exertion is structurally imbedded (i.e. in the systematic exclusion of all opposed interests)” (Offe 1980: 73, translation from German original). The *selectivity* referred to here, describes a sorting process based upon institutionalized *rules of exclusion*. For an operationalisation of this concept, one needs to determine what is being excluded, i.e. which “non-events” are taking place. Offe describes three types of non-events. *Social-structural* non-events, here the example of witch-burning is mentioned, are those where the preconditions for their taking place are just not present in modern industrialized societies. Every decision excludes other decisions, all of which could be referred to as non-events. This would overstretch the concept somewhat, so these are referred to as *accidental* non-events. *Systemic* non-events are those that arise directly from the organizational structure and processes of the political system and cannot be explained without making reference hereto (ibid: 74f). The concept of selectivity can thus be defined as the “non-coincidental (i.e. systematic) restriction of a space of possibility” (ibid: 78).

To understand why possibilities are restricted, it is necessary to take a look at the concept of the state. Questions posed on this level ask what ‘the state’ is. If ‘the state’ restricts certain possibilities, then clearly the conception of the state as an ‘autonomous’ actor or a collection of ‘neutral’ institutions has some short fallings. Starting with Poulantzas’s insight that the state is “a relationship of forces, or more precisely the material condensation of such a relationship” (1978: 128f cit. in. Jessop 1999: 51), Jessop goes on to classify the state as strategically selective in the sense that it “reflects” but also “modifies the balance of class forces” (Jessop 1999: 51). Whilst negating any absolute political primacy of either class or capital fractions on the one hand and accepting that many different political strategies determine state policy on the other, Jessop makes the “pronouncement that the state will be more responsive to particular strategies

over others” (Kelly 1999: 111). In the words of Markus Wissen, the state is a conflict terrain but the “chances to gain access to, and successfully articulate interests in, this terrain (...) are very unequally distributed” (2011: 243, translation from the German original).

As such, “policy is best understood as being moulded around particular hegemonic projects, as expressed mainly by dominant political parties, whose relationship to the dominant regime of accumulation is crucial” (Kelly 1999: 111f). When looking at the issue of climate policy, the arguments employed by actors threatened by such policy (primarily businesses in the industrial and power generating sectors, who employ large numbers of people) - it will be demonstrated - are so successful because they adhere to and utilize the dominant economic paradigm of growth and competition, precisely the paradigm which has created the problem of climate change. Governments tend only to be elected if they support the dominant paradigm and if they are to survive must reinforce and bow to that same paradigm. As such, “business interests are able to threaten that, unless government listens to them, their sector will not be successful, which will in turn jeopardize government’s own core concern with economic success” (Crouch 2004: 18).

1.3 Methods

The methodological approach of this thesis is three fold. On the one hand, much insight is gained through a review of existing literature. On the other hand, primary sources are also used. In terms of the legislation that is examined, document analysis is applied to legal texts in the form of ministry drafts, government proposals and final legislation as well as EU decisions. Furthermore, written opinions of stakeholders within the Austrian legislative framework have been consulted. A substantial part of the data collection was also carried out in the form of expert interviews. These were used to corroborate information gleaned from the document analysis, but also contributed substantially to the insights gained in their own right.

Expert interviews can be used either as part of a mix of methods, as was the case here, or as a stand-alone means of collecting data (see Meuser/Nagel

1991: 441). A central issue when using the method of expert interviews is the definition of who can be considered an expert. What Meuser and Nagel make clear is that the term expert is not defined in terms of academic qualities or as some sort of consultant but that expert is a wholly relational term (see *ibid*: 443). An expert in relation to a particular subject matter is someone who is part of the subject matter being investigated. This means they are either responsible for happenings within the field being researched or have privileged access to information about people or decision-making processes (see *ibid*).

As such, experts are people who have a function within the “organisational or institutional context” (*ibid*: 444, translation from the German original) under investigation and whose tasks and responsibilities provide exclusive experience and information. A point made by Meuser and Nagel in this context which is particularly relevant to the interviews conducted within this thesis is that these people are often *not* in the top level of their respective organisation, but on the second or third level, these being the levels “where decisions are prepared and implemented” (*ibid*: 443). Taking the example of government ministries, this would mean conducting interviews with heads of departments or sections as opposed to interviewing ministers or state secretaries (*ibid*: 444). These can be considered the ‘corridors of power’ when it comes to the fate of a directive, as demonstrated by Meuser (1989 cit. in Meuser/Nagel 1991: 444).

Besides defining the role of ‘expert’, Meuser and Nagel also differentiate the role of expert interviews between those that take in a central role within the research process and expert interviews that are rather more peripheral to research. A common example of the latter function of expert interviews is their use during the explorative phase of a research project, where they provide “additional information such as background knowledge or eye-witness accounts and illustrate and annotate the researcher’s propositions” (*ibid*: 445).

In cases where expert interviews are central to the research process, Meuser and Nagel differentiate between experts who are the actual target group of the investigation, i.e. the group to be investigated, and experts who are complementary to the target group and can give information on the context of the action of the target group (see *ibid*).

In the case of this research, expert interviews were conducted with various actors at different stages. Over the course of all the interviews conducted, all three of the groups identified by Meuser and Nagel described above were

covered at some stage. During the preliminary phase of the research for this thesis, three exploratory interviews (for consolidated findings see Annex I) were conducted with representatives of Denkstatt, an Austrian think-tank, the Austrian Green Party and Greenpeace. The function of these interviews, as identified by Meuser and Nagel and described above, was to gain new and additional information on the field of research, concerning the policies and actors to be investigated and to supplement and confirm existing knowledge and that gleaned during the preliminary literature review.

During the main research phase eight expert interviews were conducted. As one interview partner wished to remain anonymous, the interviews have been numbered and are not listed in the annex to this thesis. At certain stages in the analysis it becomes clear which organisation the interview partner in question represents. This was only done in the cases where anonymity was not requested. At no stage in the analysis are any interview partners mentioned by name.

The interviews were carried out with members of interest representation organisations – Chamber of Commerce, Chamber of Labour, Federation of Trade Unions and the Federation of Industry. Based on insights gained from the initial review of the literature (see i.e. Tálos 2001 below) and the exploratory interviews conducted (see above), these actors clearly fall into the category of the target group.

In addition, interviews were also conducted with representatives from the Federal Ministry for Agriculture, Forestry, Environment and Water⁸, the Federal Ministry of Commerce, Family and Youth⁹, the Social Democratic Party and an Austrian federal state (a representative with a coordinating role for Austrian federal states on related questions). In these cases the classification of the actors interviewed is not quite so straightforward as they are, to differing extents, involved in the policy making process and as such, clearly a part of the target group, but also offering insights on the role and activity of other actors such as the interest representational organisations, mentioned above, giving them more of a complimentary role.

This differentiation clearly has significant implications for the questions posed. The group of organisations, classified as the target group above, were asked primarily about their involvement in the various legislative and other policy

⁸ short: Ministry of Environment

⁹ short: Ministry of Commerce

making processes, their interaction with legislative and executive actors and their strategies for successfully fulfilling their respective mandate. The group of actors whose role was more ambivalent, i.e. fell into both groups, were also asked about their respective roles in Austrian climate policy making, although the focus of the interviews soon changed to questions concerning the target group and other potentially relevant actors (such as individual companies) and their respective involvement.

The interviews themselves were semi-structured guideline interviews. This gave the interview situation enough structure to ensure that the important questions of interest were answered, but left them open enough to allow the interview partner to “structure the subject-matter themselves and introduce their respective assessment” (Meuser/Nagel 1991: 442 drawing upon insights from Dexter 1970: 5ff). This also had significant (positive) consequences for the research process as several new insights were gleaned during the interviews conducted (such as the crucial importance of the studies conducted prior to the drawing up of the first Austrian NAP, see chapter 4.2.1).

The interviews were analysed using the method of structuring as defined by Mayring (2010). This method of analysis is comparably simplistic and does not rely on complex techniques such as analysis of semantics. The goal of “content structuring is to filter out and summarize particular themes, contents and aspects from the material” (Mayring 2010: 98). These themes can either be pre-defined and theory driven, i.e. deductive, or gleaned from the material itself, i.e. inductive. Although the material was approached with pre-formulated categories, these categories were in part re-defined or re-invented during the analysis. New themes and categories, which evolved during the course of the analysis, were identified on the basis of repetition, particular use of language (strong/emotional formulation and analogies or metaphors, which were common in some of the interviews conducted) as well as similarities but particularly differences in perspective of interview partners on the same issue (see also Bernard/Ryan 2010: 53ff).

1.4 Structure of the Thesis

This thesis is structured as follows. Chapter 2 elaborates the term climate change sceptic or ‘contrarian’. In the course of this chapter several examples of such actors from the United States are presented. Furthermore the phenomenon of climate change is placed in the context of the ‘bigger picture’ of neo-liberal capitalism. Conclusions on the consequences for the analysis in the Austrian political framework are then drawn.

Chapter 3 provides a definition of what is meant by climate policy (and what is not) and briefly describe climate policy in the EU and Austria. In this framework the actors involved in decision making and the legislative process are outlined.

Chapter 4 forms the first of the two main empirical chapters. In this chapter, the concept of emissions trading is introduced and outlined on the multilateral UN, the EU and the Austrian national levels. The analysis then goes on to focus upon the development of the National Allocation Plans for the EU Emissions Trading System periods I (2005 – 2007) and II (2008 – 2012) and the conflicts involved. The development of the 2011 amendment to the Emissions Certificate Act, passed in preparation for the third trading period starting in 2013 is also touched upon briefly.

Chapter 5 introduces the topic of renewable energy and the legislative framework on both the EU and Austrian levels. The analysis then turns to the 2006 amendment of the Green Electricity Act, where the support landscape was considerably restricted with a resulting stagnation in renewable energy production in Austria. This is complemented with an investigation of the 2011 amendment to the act, where support was increased in light of 2020 commitments made on the European level.

In Chapter 6 an attempt is made to explain the influence of interest organisations on the legislative framework identified in the previous two chapters. It is argued that the power of these organisations is historically contingent to the specific political developments in Austria post WW II and that these developments contribute significantly to the specific selectivity of the Austrian state and the access hereto of particular interests, as outlined in the theoretical approach in chapter 1.2.

Finally in the concluding chapter, Chapter 7, the analysis and the arguments are recapitulated and the outlook outlined.

2 Climate Scepticism – Definition and Debate

At this stage it is important and necessary to give an overview of climate scepticism and undertake a definition of what is meant by climate sceptics or ‘contrarians’. Clearly healthy scepticism is essential to the progression of science. Scepticism, in fact, is integrated into the day-to-day workings of science in the form of the peer review process, for example, where scientists subject their work to critical scrutiny by their peers.

However, scepticism, but also contrarianism or denialism (all terms which have been applied in this context) becomes problematic when voiced with an intention other than that of constructively contributing to the debate. Often, supposedly scientific work is published in popular or popular-scientific media (see, for example, Dr. Robert Carter¹⁰) and/or published by scientists of a different academic background to the discipline they purport to be working in.

That some actors who deny the consensus opinion on climate change¹¹ have an agenda of a different nature has been repeatedly proven within the US context (see Gelbspan 1997; Hoggan 2009; Oreskes/Conway 2009). In the case of the United States and to a lesser extent the UK – which stand in contrast to Austria – ‘contrarians’ openly deny the findings of climate science and attempt to call into question the individual scientists and/or scientific institutions concerned with climate change (the most prominent example of which is the so-called ‘climate gate’ affair at the East Anglia Climatic Research Unit in the UK, prior to the Copenhagen climate conference in 2009). To illustrate the debate in the United

¹⁰ Of Dr. Carter’s 130 total publications, five obviously call the science which points to the evidence of anthropogenic climate change into question. None of these five publications appear in journals appearing in the ISI list, even though the majority of his other journal publications are highly regarded ISI listed publications (i.e. *Marine Geology*, *Australian Journal of Earth Sciences*, *Sedimentary Geology* etc). Furthermore, four of these five publications appear in (non ISI listed) economics journals (the fifth is from conference proceedings). A final conspicuous point, is that Dr. Carter, a natural scientist, who on the whole *never* publishes in economic media, publishes 80% of the papers written by him on rebuffing a consensus natural science opinion (see Oreskes 2004: 1686 for a list of public and scientific institutions agreeing on anthropogenic climate change) in social-sciences journals. Dr. Carter’s bibliography: http://members.iinet.net.au/~glrmc/new_page_4.htm (accessed: 10.02.2012)

¹¹ In an article in *Science*, Oreskes analyzed 928 papers listed in the ISI database with the keywords ‘climate change’. Not one of these papers disagreed with the consensus opinion as voiced by the American Meteorological Association, the American Geophysical Union or the American Association for the Advancement of Science and many others. In conclusion, Oreskes states: “This analysis shows that scientists publishing in the peer-reviewed literature agree with IPCC, the National Academy of Sciences, and the public statements of their professional societies. Politicians, economists, journalists, and others may have the impression of confusion, disagreement, or discord among climate scientists, but that impression is incorrect.” (Oreskes 2004: 1686).

States, several examples cited by the authors (mentioned above), are presented below (it should be emphasized that this depiction is of an illustrative nature and by no means claim to cover the totality of the arguments or tactics employed).

2.1 Examples from the United States

One of the primary strategies of ‘contrarians’ – not only in the United States – has been to influence the debate in the media. The motivation behind these tactics is clear. Media play a large part in shaping public opinion which, once influenced, can be a major factor in steering political debate and as a result, political majorities. In this context, Naomi Oreskes¹², makes reference to Ben Santer, convening lead-author of chapter eight of the 2nd IPCC Assessment Report (SAR). After the SAR was published in 1995, Fred Seitz wrote an article in the Wall Street Journal (WSJ) accusing Santer of “unauthorized changes” and of downplaying uncertainties, under the title of “A major deception on global warming”. Santer responded that changes had been made, but that these changes were in response to the peer review process. All 40 of his co-authors, the president of the IPCC and the president of the WMO signed his letter. Sections of this letter as well as many signatories were omitted by the WSJ when it was published.

The question, which arises in this context, is why the media publish opinions, which stand in contradiction to the consensus scientific opinion? In this respect Boykoff and Boykoff found an interesting answer. In reference to the Bush Administration’s call for a decade of research before taking action, they speak of a “spectacular culmination of a complex and perpetually unfolding discursive process propagated by the prestige press in the United States.” (Boykoff/Boykoff 2004: 125). Adhering to the norm of balanced reporting, journalists have caused “popular discourse” to diverge significantly from “scientific discourse” (ibid: 125f). As such mass media has offered “a voluble minority view” (Adger et. al. 2001: 707, cit. in ibid: 126) which argues the scientific uncertainty surrounding climate science. As the authors conclude, “balanced coverage does not, of course, always mean accurate coverage” (Boykoff/Boykoff 2004: 126). In this case

¹² Oreskes presented this in a lecture entitled *The American Denial of Global Warming*. Available online: <http://www.uctv.tv/search-details.aspx?showID=13459> (accessed: 15.03.2011)

balanced reporting leads to an “informational bias” (ibid), which “has allowed a small group of global warming sceptics to have their views amplified” (ibid: 127). The problem is that “journalists present competing points of views on a scientific question *as though they had equal scientific weight.*” (ibid, italics added). Over 80% of the articles analysed presented both sides of the debate. Over 50% gave “roughly equal attention to the view that humans were contributing to global warming, and the other view that exclusively natural fluctuations could explain the earth’s temperature increase.” (ibid: 129).

In his book, *Climate Cover-Up*, Hoggon describes the role of think tanks in the contrarian debate. Here he describes a letter which surfaced written by Kenneth Green from the American Enterprise Institute (AEI), offering scientists \$10,000 to write a critique of the 4th IPCC Assessment Report (FAR). The AEI received most of it’s funding from Exxon mobile, the largest oil corporation in the world. Another example is the ‘Independent Summary for Policy Makers’ released by the Fraser Institute (FI). Exxon also funds the FI. The primary aim of this report was to shroud the FAR in uncertainty pointing to the uncertainty (less than 5%) that climate change is anthropogenic in nature.

Whether ‘contrarians’ attempt to purchase scientific opinion, or make claims in popular media, they have clearly managed to influence the political debate in the US, as the following examples demonstrate. In May 1996, when discussing the budget for the NASA program on climate monitoring, which had previously received full backing by the National Research Council, Congressman Walker, then chairman of the House Science Committee “successfully recommended cutting the funding for the program”, citing “the Marshall Institute’s denials of the climate crisis to justify his decision.” (Gelbspan 1997: 4).

Also in the political context, Oreskes makes an interesting reference to Senator James Inhofe who, during a speech to Congress in July 2003 described global warming as “the greatest hoax ever perpetrated on the American people” (cit. in Oreskes/Conway 2010: 213). Further investigation reveals interesting facts about Senator Inhofe. In a speech made in January 2005 Inhofe, as then chairman of the Senate Committee on Environment and Public Works, makes multiple references to the author Michael Crichton and his book, *State of Fear*, ending his speech with the following statement: “Despite the bias, omissions, and

distortions by the media and extremist groups, the real story about global warming is being told, and, judging by the welcome success of Michael Crichton's 'State of Fear', it's now being told to the American public.”¹³

2.2 The bigger picture

To explain these and other examples, climate change scepticism/denialism needs to be placed within its larger, socio-political and socio-historical context. What is meant by this is that the calling-into-question or blatant denial of climate change is not a means to an end in itself but is part of a larger neo-liberal project. Although in many cases climate change mitigation directly challenges the economic basis of certain actors (the most obvious case being companies directly involved in the production of fossil fuels), often time's challenges to climate change and the underlying science have a far broader basis. In the words of Dunlap and McCright (2011) “climate change denial can be seen as part of a more sweeping effort to defend the modern Western social order (Jacques 2006), which has been built by an industrial capitalism powered by fossil fuels (Clark and York 2005). Since anthropogenic climate change is a major unintended consequence of fossil fuel use, simply acknowledging its reality poses a fundamental critique of the industrial capitalist economic system (...) By directing societal attention to environmental disasters like massive oil spills and crevice problems like climate change that result from economic production, the forces of reflexivity draw the ire of defenders of the capitalist system who often mobilize against them” (144f).

Precisely as identified by Dunlap and McCright (above), Plehwe and Müller also state that much lobbying goes beyond specific interests and takes place in the context of winning a larger “war of ideas” (ibid: 149 & Plehwe/Müller 2008: s.p.). The mobilization of “defenders of the capitalist system” which is referred to above forms a part of such a war. Plehwe and Walpen in their analysis, situate the rise of neo-liberalism in a broader historical context as part of a well-organized, long-term project which originated after the second world war in the form of the Mont Pelerin Society (2006: 27ff). Many efforts of this broader movement have been put into the production and dissemination of neo-liberal

¹³ <http://inhofe.senate.gov/pressreleases/climateupdate.htm> (accessed: 18.03.2011)

ideas, to which climate change scepticism/denial forms a natural consequence or progression and is conducted by many of the same conservative and/or free-market think-tanks which have been instrumental in arguing for de-regulation of all kinds (ibid: 29ff, Plehwe/Müller 2008: s.p. or Dunlap/McCrigh in relation to, i.a. the Heritage Foundation, 2011: 149). The strength and success of this community „derives not from the highly visible and publicly acknowledged experts in politics or science“ but from the whole network which spans „academia, business, politics and media“ (Plehwe/Walpen 2006: 39).

2.3 Consequences for analysis in the Austrian framework

These insights are interesting when considered in the Austrian context. One organisation in Austria, the Hayek Institute, which openly denies the science of climate change – although not attributed much political weight in the interviews conducted in the framework of this thesis on the one hand and also not primarily concerned with climate change denial on the other – is focused upon upholding free-marked capitalism with as little government intervention as possible. As such it fits perfectly into the definition of Jacques et. al. (2008) of conservative think-tanks, as discussed by Dunlap and McCright (2011), as sharing “a universal commitment to free enterprise, limited government, and the promotion of unfettered economic growth” (149).

These insights also clearly have consequences for the argumentation which can be considered contrarian. What McCright and Dunlap (2011) have said about different arguments challenging the science of climate change – “while the claims of these actors sometimes differ and evolve over time (there’s no warming, it’s not caused by humans, it won’t be harmful, etc.), the theme of ‘no need for regulations’ remains constant” (144) – can also be applied to challenges to climate change mitigation policy. As such, it can be argued that if the goal of the argument is ‘no need for regulations’ then it does not actually matter whether the science or the policy is being called into question, the argumentation is contrarian.

As stated earlier, arguments challenging the *science* of climate change – as they are found in the US/UK – are seldom voiced in Austria. Here, the far more common line of argument is to present arguments against climate *policy*. In this

context, it is important to differentiate between “climate *science* sceptics” and “climate *policy* sceptics” (Brunnengräber 2011: s.p., italics added).

In Austria the debate on climate change and climate change policy is characterized primarily by economic arguments. As such, climate *policy* sceptics as opposed to climate *science* sceptics, play a central role. Anthropogenic climate change is not called into question – the tendency is to point to the costs of i.e. emission reductions. The debate takes the form of a classical distributional conflict, involving different, heterogeneous interests. In this context, Tim Nuthall has coined the term „climate realism“. Nuthall makes reference to lobbyists in Brussels, who base their arguments on statements such as “carbon leakage”, “threats to jobs”, “increased costs” or “unnecessary burden” (Nuthall 2011: 11).

As such, this investigation will be based primarily on such economic arguments, in the sense of climate *policy* sceptics. This implies an extension of the term ‘contrarians’, which has generally been used to refer to actors who call climate *science* into question. As discussed earlier, political analysis of ‘contrarian’ lines of argument in the US, have tended to focus on ‘classical’ science sceptical arguments. Due to the fact that such arguments are seldom employed in a political context in Austria, it is necessary to examine climate policy scepticism and the economic lines of argument employed by such sceptics. Actors in German speaking countries, who endeavour to counter ‘contrarian’ positions, have tended to focus on arguments, which deny the findings of climate science (see e.g. Rahmstorf 2004 or Matschullat 2010). The economic arguments, as employed by climate policy sceptics, due to the fact that they are generally exercised in the political arena (where they are trying to mitigate effective climate policy, or rather the costs these incur) as opposed to climate science sceptical argumentation which is often published in pseudo-scientific literature, have thus far been seldom examined in a scientific context. This is not to say that such argumentation has not been classified. The online platform, *Skeptical Science*, which is i.a. concerned with countering ‘contrarian’ arguments, also includes examples such as „CO₂ limits will harm the economy“, „Renewable energy investment kills jobs“ or „CO₂ limits will make little difference“¹⁴ in its taxonomy of arguments. Furthermore, a classification produced within the project CONTRA, also deals with these arguments (see Annex II).

¹⁴ See <http://www.skepticalscience.com/argument.php?f=taxonomy> (accessed: 20.03.2011).

One of the arguments identified within this classification, the so-called policy sceptic III, is that mitigation only makes sense on a global scale. At first glance this statement seems fairly harmless. The major forum for addressing the issue of climate change is the UN Framework Convention (UNFCCC) which embodies international multilateralism. Furthermore, most would also all agree that climate change is a global problem which requires a global solution. Where such an argument becomes problematic, is when it is employed to hinder or question *national level* action – action which can take place quite independently of other action and still has a positive effect on many levels – in the absence of a binding global agreement. An example of such argumentation, to illustrate, was employed by one of the interview partners interviewed in the course of this research who stated in relation to a strategy paper published by his organisation that: “the first premise was that both energy problems and climate change have a global dimension. This means that I need to address the problems globally. When I address them globally, this prohibits me in advance from putting my focus on the national domain and I have to focus on the global domain.” (Interview 5: 1, translated from German original¹⁵).

Within the complex terrain of climate change and climate change policy where numerous, heterogeneous interests – ranging from re-election, profits, image, idealism and many more – are at stake, the arguments regarding the science of climate change and those for and against various policies are numerous and diverse. For the analysis conducted within the framework of this thesis, it is important to note that the term ‘contrarian’ and the arguments employed by actors subsumed under the concept, is kept deliberately broad so as to include the economic arguments used to argue against climate policy and as such support the position of ‘no need for regulations’.

¹⁵ All further quotations from interviews are also translated from the German original, although Not explicitly stated.

3 Climate Policy

The policy areas under investigation in this thesis are emissions trading and renewable energy. These are two aspects of a whole range of policy areas encompassed by climate policy in the EU and in Austria. The aim of this chapter is to give a brief overview of climate policy in Austria and the EU as a whole, to situate the two policy instruments under consideration within this complex and to give an introduction to the actors involved and the concrete legislative process within which such policy is formulated (primarily on the Austrian national level). This will form the basis for the empirical analysis of the two policy instruments in the following two chapters. However, before turning to climate policy in the European Union it is important to define what is meant by climate policy.

Climate policy is understood to be the sum-collective of measures undertaken by political entities (local, regional or national governments, supra-national institutions, and multi-lateral international organisations) to mitigate the effects of anthropogenic climate change. Anthropogenic contributions to climate change come from the emission of greenhouse gases through the combustion of fossil fuels and land-use change (Rahmstorf 2011). Climate policy also includes measures being put in place or being planned to *adapt* to (as opposed to mitigate) the effects of climate change. Adaptation will however not be described in any more detail here, as the policy measures under scrutiny in this thesis fall under the category of policy aimed to mitigate the effects of climate change.

As such, climate policy can be characterized as measures that aim to reduce the use of fossil fuels and combat land-use change. Such measures range, inter-alia, from economic incentives in the form of taxes or cap-and-trade systems, to the refurbishment of buildings to increase energy efficiency, the replacement of fossil fuels with renewable energy sources to reforestation programs. As such climate policy impinges upon many policy areas ranging, inter-alia, from energy and transportation to forestry and agriculture.

3.1 EU

An analysis of national level climate policy must be complemented by or at least placed within the context of EU policy. The reason for this is of a legal nature, as much national-level legislation in these policy areas (as in many others) is the translation of EU legislation into national law and as such, national legislation cannot be understood without a view of the broader legal framework. The EU of today – legally embodied through the Treaty of Lisbon – regulates environment¹⁶ (article 191 - 193) and as such climate, which is governed by the ordinary legislative procedure (former co-decision procedure of the European Parliament and the Council) as part of the Union's key competences (see Council of the European Union 2008: 173ff)¹⁷.

The challenge of climate change has seen the EU increasingly play the role of “*environmental union*” (Kahl 2009: 23) – as well as economic, monetary or energy union – a development expressed in the climate and energy package of 2008 and the so-called 20-20-20 targets¹⁸. These are a 20% reduction in emissions; a 20% increase in energy efficiency (both in relation to 1990 levels) and 20% share of renewable energy by 2020. The bundling of these legal frameworks is a response to the necessity of addressing various, related policy areas in an integrated framework, whereby the effectiveness of collective (EU) action is considerably higher than individual (member state) approaches (see Geden/Fischer 2008: 68). The legal implementation of the main aspects of the climate and energy package has been realized via four European legislative acts:

- Decision 406/2009/EC: “on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020” (European Union 2009a)
- Directive 2009/28/EC: “on the promotion of the use of energy from renewable sources” (European Union 2009b)
- Directive 2009/29/EC: “to improve and extend the greenhouse gas emission allowance trading scheme of the Community” (European Union 2009c)

¹⁶ Including climate change

¹⁷ Treaty on the Functioning of the European Union, Titles XX and XXI, Articles 191 – 194

¹⁸ http://ec.europa.eu/clima/policies/package/index_en.htm (accessed 14.11.2011)

- Directive 2009/31/EC: “on the geological storage of carbon dioxide” (European Union 2009d)

The second and third of the legal acts listed regulate the policy areas of emissions trading and renewable energy. For the context of this thesis, however, the following should be noted: directive 2009/28/EC is a modification of directive 2001/77/EC. The latter comprises the EU-level legal framework for the original legal text of the Austrian act as well as the first amendment under consideration here (2006), whereas the modified version of the directive regulates the 2011 amendment of the law.

A similar situation exists in the case of emissions trading. The NAPs were implemented under the legal auspices of the original ETS directive (2003/87/EC), whereas the 2011 amendment of the law on emissions certificates was prompted by the current directive (2009/29/EC) which regulates the trading period from 2013 onwards.

3.2 Austria

Climate policy in Austria can be traced back to non-binding commitments (reduction in CO₂ emissions of 20% by 2005 in relation to 1988 levels) in the framework of the World Conference on the Changing Atmosphere in 1988 (Hackl 2000: 19).

On a national level early legal acts concerning climate included the clean air act (Luftreinhaltegesetz) which was passed in 1988 and a law on smog (Smogalarmgesetz) which was passed in 1989, both of which have been modified to include ozone (Ozongesetz 1992) and other greenhouse gases (Immissionsschutzgesetz 1997) respectively.

On an international level Austria was represented in the UN General Assembly for the constitution of the Intergovernmental Panel on Climate Change (IPCC) in 1988 and is a signatory to the UN Framework Convention on Climate Change (UNFCCC), signed in 1992. Within this framework, Austria is also a signatory to the Kyoto Protocol (1997) within the EU commitment of a collective emissions reduction target of 8% in the years 2008 - 2012 (the so-called commitment period) in relation to 1990 levels (UN 1997). Within the so-called burden-sharing agreement of the EU, Austria is committed to reduce its greenhouse gas

emissions by 13% during the commitment period in relation to 1990 levels (European Council 2002).

Since the Austrian accession to the EU in 1995, the majority of environmental (climate) policy making on a national level has been the implementation of EU legislation. Depending on their form and content these legislative acts allow for greater or lesser leeway in implementation (as will be seen within the analysis in chapters 4 and 5). Over the past decade Austria has enacted and modified a climate strategy (2002 and 2007) and implemented legal acts on inter-alia renewable energy, energy efficiency, emissions trading (all of which represent the conversion of EU legislation to national law) and compiled two NAPs within the EU-ETS framework. In 2011, existing legislation on renewable energy and emissions trading was modified to include directives passed as part of the EU climate and energy package (see above) and a law on climate protection (Klimaschutzgesetz) was enacted. The latter will not be discussed in the framework of this thesis – the two former legislative acts will inter alia form the subject of the subsequent two chapters.

3.2.1 Actors

Climate policy, due to its broad and encompassing nature, involves a large number of heterogeneous actors. For the purpose of this analysis it seems expedient to differentiate (roughly) between actors involved in *creating* (legislative) and *implementing* (executive) climate policy, i.e. the parliament, political parties, federal ministries, federal states and on a supra-national level the EU (although this analysis will focus primarily on the Austrian national level) and actors who are also (formally and informally) involved in this process but are also *affected* by such policy, i.e. trade and industry interest groups, business (whereby the focus is primarily on the former, collective expression of interest) and of course consumers (although this group of actors only play a role in this analysis, insofar as their body of interest representation, the Chamber of Labour, is analyzed). This differentiation is rough and incomplete. Climate policy making also encompasses other groups such as NGOs and science. However for the purpose of simplification, this analysis focuses on the ‘major’ actors as identified in the preliminary analysis (see exploratory interviews, Annex I).

On the climate policy-making level, the primary actors in Austria are the Ministry of Commerce and the Ministry of Environment. The former deals i.a. with energy policy and as such energy efficiency and renewable energy and the latter deals i.a. with emissions trading. In the context of these policies, the enacting ministry must consult with and also requires the agreement of the other. Of course other ministries, such as transport and infrastructure, but also finance and the federal chancellery play a role in climate policy making, but the primary ministries involved in the material analyzed in the context of this thesis are the two mentioned above.

The political parties and the parliament also play a role in policy-making, although the conclusions reached in the exploratory interviews conducted, suggested that draft bills tend to arrive in parliament at quite a late stage and that parliamentary committees are used less for actual substantial debate and more to bargain for majorities. Particularly in the case of climate policy making, where the material under discussion is of a highly complex, technical nature, concrete formulation takes place prior to the parliamentary process. As such, quite few substantial changes actually take place in parliament (this assessment was corroborated in a later interview conducted with the energy representative from the Social Democratic Party¹⁹). As will be shown with the Green Electricity Act 2012 (chapter 5) this is not always the case.

Of particular standing in Austria and heavily involved in policy-making on almost every level are the social partners (see chapter 6 for more detail) and the Federation of Industry. These are the primary interest representation organisations for businesses and consumers in Austria. As such, these are also the actors who are negatively 'affected' by climate policy, in the sense that they represent consumers and businesses who have to carry the costs of such measures. In the case of renewable energy, both businesses and consumers are faced with an extra charge on their electricity which goes toward financial support measures such as feed-in tariffs. In the case of emissions trading, businesses falling under the EU ETS (and on an indirect level, the employees of these companies, represented by the trade unions) are obliged to submit emissions certificates corresponding to the amount of emissions measured in a

¹⁹ Interview conducted with MP Wolfgang Katzian on February 24th 2012, not yet transcribed

calendar year. When the emissions exceed the permits given to the installations free of charge these are obliged to purchase certificates (see chapter 4 for more detail).

These actors also play a significant role in the Austrian policy-making process (as described below). What is particularly unique in the case of climate policy making is that these actors who are normally in opposition to one another (employees and employers associations) in many cases form a united front (see in particular chapter 5.2.1) adding to their already existing, considerable political weight.

The actors in question are the Chamber of Labour, the Chamber of Commerce, the Federation of Trade Unions and the Federation of Industry (the Chamber of Agriculture, although forming an integral part of the social partnership historically, is not active in emissions trading and has taken a different stance to the other organisations on renewable energy issues. As this analysis focuses primarily on actors opposed to progressive climate/renewable energy policy, the Chamber of Agriculture does not play a central role).

The three former organisations are formally involved in the political process in the form of the social partnership. Although the latter is not formally a part of many of these institutionalized mechanisms of decision making and cooperation, the Federation of Industry de facto enjoys the same privileges (see below and in particular chapter 6).

What makes these actors so powerful however, is not so much their formal involvement in the political process but the informal role these organisations play and the intense inter-dependence and intertwined nature of their relationships to the (major) political parties, the parliament and government. This status is something unique to the Austrian political system and a factor which emerged from the post WW II rebuilding process (see chapter 6).

3.2.2 Legislative Process

The actors mentioned above are involved in the political system and the legislative process in different ways. The legislative and executive actors are directly involved in the legal process, albeit with differing degrees of power.

Of particular interest and relevance for this analysis is the involvement in climate policy of actors particularly affected by such policy. Traditionally the social

partnership, and more recently the Federation of Industry, have a privileged position, although it is important to differentiate between formal and informal involvement in the legislative process, as has been mentioned. On the whole there are four means of legislative initiative in Austria: through members of parliament, through the government in the form of a government bill passed by the council of ministers, through the upper house or through a referendum. The majority of initiatives are government bills (see Tálos/Kittel 2001: 38).

In the case of certain government bills, there is an obligation to obtain comments from various actors (including the social partnership) not, however, to include them. In any case, interests are often articulated outside of the formally defined channels: “The influence of the chambers and unions has only a weak legal, but a strong political basis, due to the willingness of the government and parliament to allow for their interests (ibid: 38). This goes as far as allowing the social partners and other interest representation groups direct creative competencies; “In their areas of competence, the social partners often prepare legislative proposals, which are then adopted by the government unaltered” (Erhart 2010: 68, translation from the German original). The status of social partners in Austria is described by Tálos und Kittel as internationally unique. This status is largely due to the – although varying in nature – “close relationship between governing bodies and parties and ministries” (Tálos/Kittel 2001: 41) arising from the particularly concise and historically important division between employees (Social Democratic Party, SPÖ) and employers (Peoples Party, ÖVP) in Austria. The “involvement of the associations in the process of policy formation of the ministries” is differentiated and “intensified in ministries which have traditionally strong ties to individual interest groups and associations (Ministries of Social Affairs, Ministry of Commerce and the Ministry of Environment)” (ibid: 49). This is particularly relevant in the context of this thesis, as the two policy areas under consideration, renewable energy and emissions trading, fall under the auspices of two of the three ministries mentioned (Ministry of Commerce and Ministry of Environment respectively).

Tálos und Kittel identify various ways in which interest groups are involved in the legislative process, i.a.:

- legislative proposals sent from individual interest groups to ministries
- participation of interest groups in the forming of government proposals

- participation in negotiations to parliamentary proposals
- contact between interest groups and parliamentary fractions
- inclusion of experts from interest groups in parliamentary committee deliberations (see *ibid*: 41f).

Although the accession of Austria to the EU has opened up other paths of interest representation to interest groups, Tálos und Kittel argue that the national level remains the “decisive level for interest representation” (*ibid*, 48). Corporatist actors have various channels of involvement in the determination of the Austrian national-level EU position:

- Ministries hold ad hoc meetings at the highest level to discuss individual policy.
- COREPER preparation meetings are held every week, finalising positions for Brussels.
- Interest groups also have the possibility to prepare material for the positions discussed in ministry working groups (see *ibid*: 48).

4 Emissions Trading

Emissions' trading was first introduced on an international level at the 3rd Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC) in Kyoto in 1997. The Kyoto Protocol included the first legally binding greenhouse gas emissions reduction targets (during the commitment period, 2008 – 2012) for the states listed in Annex B of the protocol²⁰. The respective targets of the member states are to be reached by direct reductions (although the targets of some states actually involve a net increase) in emissions but also through the so-called flexible mechanisms. These are emissions trading, joint implementation and the clean development mechanism, the latter two of which are not relevant for the purpose of this study and will not be described here. The allowed emissions of Annex B states are divided into 'assigned amount units' (AAUs)²¹. Article 17 of the Kyoto Protocol states that "The Parties included in Annex B may participate in emissions trading for the purposes of fulfilling their commitments" (UN 1997: 15), and as such can sell AAUs they do not need, or buy AAUs to cover their commitments respectively. The European Union target as set out in Annex B of the KP was a cumulative reduction of 8% for the commitment period, in relation to 1990 emissions. This cumulative target was then divided amongst member states in the context of the 'burden sharing' agreement. Within this framework, Austria was assigned a target of minus 13% (European Council 2002: 19).

4.1 EU Level

Emissions' trading, as it is known in the framework of the EU Emissions Trading System (ETS) is of a somewhat different nature to that institutionalized within the KP, which is geared toward trading between sovereign nation states. The ETS on the other hand, was devised by the EU in an attempt to reduce the emissions of industry and power generation (and later aviation) in particular, as a central part of compliance with EU member state emission reduction targets under the KP. The EU ETS forms one of the three pillars of internal EU climate policy

²⁰ Although these only came into effect in 2005, after Russia ratified the protocol, which required that 55% of states responsible for 55% of emissions must ratify the treaty for it to come into effect. To date the US has not ratified the Kyoto Protocol.

²¹ http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php (accessed: 17.10.2011)

(alongside renewable energy and energy efficiency), and regulates trading of emissions certificates between companies (of the aforementioned sectors) within the EU. To date it covers over 12,000 facilities, which cumulatively emit around 43% of total EU Emissions (see Geden/Fischer 2008: 89f).

The EU ETS is currently (2012) in the second of three periods, which have been planned to date. The first period, 2005 - 2007 was conceived as a pilot phase in which to gain experience. For this period, at least 95% of all EU Allowances (EUAs) – the certificates traded within the framework of the ETS – were allocated to installations covered by the ETS free of charge (grandfathering).

During the second period, 2008 - 2012 (identical to the Kyoto commitment period), EU member states convert the proportion of total AAUs, which are emitted by installations included in the ETS into EUAs, of which at least 90% are distributed free of charge.

These first two trading periods are covered by the directive 2003/87/EC, which i.a. stipulates that member states shall develop a national allocation plan (NAP) „stating the total quantity of allowances that it intends to allocate for that period and how it proposes to allocate them“ (EU 2003: Article 9). NAPs developed by member states, were sent in the form of a proposal to the European Commission. The Commission had a period of three months to respond to the NAP in the form of a decision, which could either accept the plan, reject the plan, reject any part of the plan and/or propose amendments (EU 2003: Article 10).

The directive 2003/87/EC was amended in 2009 (directive 2009/29/EC), in which the framework for the third trading period, 2013 - 2020 was laid down. Within this new directive, aviation was added to emissions covered by the ETS and a central, EU-wide cap on total emissions was introduced. This cap is based upon the NAPs from the second trading period, and will be reduced by 1.74% annually (EU 2009: Article 9) so as to contribute effectively to the EU (self-declared, as opposed to internationally binding) emissions reduction target of 20% (in relation to 1990) by 2020²². Another change for the coming trading period is the fact that

²² The contribution of ETS installations is in fact higher than this target. To clarify the different targets and baseline years applied, see the following. “The level of the EU-wide cap will be calculated on the basis of the target for 20 per cent GHG emission reductions by 2020 compared to 1990 levels, which is equivalent to a 14 per cent reduction compared to 2005; the linear reduction principle of 1.74 per cent per year means arriving at a reduction of ETS emissions of 21

a significantly larger proportion of total EUA's will be auctioned, a fact which was subject to much conflict in the European and national level decision making processes.

Prior to submitting its proposal for the revision of the original directive, the Commission was subject to "intensive lobbying in late 2007 and early 2008, not least from energy-intensive industries" (Skaereth/Wettestad 2010: 75). Not only the stage of legal initiative was characterized by intensive interest representation; "the European Parliament had registered over 160 groups lobbying mainly for free allowances by October 2008" (ibid 81). The outcome was that rather than auctioning all certificates, companies in the industry sector who are deemed to be at an economic disadvantage through international competition and hence in danger of carbon leakage (one of the 'climate-political-sceptic' arguments identified by Nuthall, discussed in the introduction) will be given up to 100% of certificates free of charge²³.

Although the decision-making at the European level is not the subject of this thesis, it should be briefly stated at this stage that Austrian interest representation was very active in lobbying on these issues in Brussels. On the one hand, considerable lobbying took place from affected companies. This can be seen by the fact that the European Steel Association, Eurofer, of which the CEO of the Austrian VOEST is the head, took legal action against the benchmarking decision or the intense, direct lobbying of individual European Commission staff conducted by Union of Industrial and Employers' Confederation of Europe (UNICE, now BUSINESSEUROPE), of which the Federation of Industry is a member (see Interview 1: 10). On the other hand, workers representatives, in the form of trade unions were also firmly opposed to the auctioning of emissions certificates. The respective Austrian union, represented on this occasion by the head of the Federation of Trade Unions, joined the European metal workers union in protesting in Brussels. In a related publication arguments presented included the threat - by the auctioning of

per cent below 2005 levels (and 10 per cent for the sectors not covered by the ETS)" (Skaereth/Wettestad 2010: 75).

²³ Defining precisely how many EUAs will be auctioned and how many allocated free of charge is difficult, as this varies from country to country. For sectors in danger of carbon leakage, benchmarks will be applied (based on the 10% most energy efficient installations), and a proportion of allowances allocated free of charge. At least 50% of all EUAs will be auctioned from 2013 (see http://ec.europa.eu/clima/policies/package/index_en.htm (accessed 14.11.2011)).

certificates - to jobs, to the competitiveness of European steel companies and the seemingly immanent threat of relocation of European companies and subsequent job loss (see Federation of Trade Unions European Office 2008: 2).

Another issue at stake in this context is the utilization of the revenues from the auctioning of certificates. The European Parliaments Environmental Committee for example “called for *all* auctioning revenues to be earmarked for climate related purposes” (Skaerseth/Wettestad 2010: 74). Member states, but also installations covered by the directive had markedly different interests concerning the use of revenues, as will be seen in the Austria-specific analysis. The final text of the directive was to all extents and purposes left open to interpretation: “At least 50% of the revenues generated from the auctioning of allowances ... *should* be used for one or more of the following: to reduce greenhouse gas emissions ... to adapt to the impacts of climate change ... to develop renewable energies ... measures to avoid deforestation ...” (European Union 2009b: Article 10, italics added). This directive was translated into Austrian law with the 2011 amendment of the Emissions Certificates Act (see chapter 4.2.2).

4.2 Austria

Emissions trading was formally integrated in Austria with the translation of the European directive into Austrian national law in the form of the Emissions Certificates Act (EC-Act) in April 2004. The law has been reformed a number of times, in particular in 2006 with the incorporation of the rules for the allocation of emissions certificates for the second – simultaneous with Kyoto – trading period from 2008 - 2012; in 2009, where aviation emissions were included in the EU ETS for the first time; and finally in 2011, in preparation for the new trading period, 2013 - 2020 (see in detail below).

In comparison with legislation concerning renewable energy (see next chapter), the EU directive(s) regarding emissions trading had and have little scope for interpretation in terms of national level implementation. As such, the EC-Act has generally involved a fairly strict translation of European provisions into national law. During the first two ETS trading periods (2005 - 2007 & 2008 - 2012), the primary point of conflict was the question of allocation – in the form of the

national allocation plans (NAPs) – on an individual, installation as well as on a sectoral level. In light of the movement away from national level allocation to a central European cap and away from the principle of grandfathering, the focus of lobbying activities has been transferred to the European level and to issues such as benchmarking (see chapter 4.1). However new issues have now arisen – such as the use of revenues generated from the auctions of certificates (see above) – and are being contested on the national level, as will be demonstrated in the discussion on the latest amendment of the EC-Act in 2011 (see chapter 4.2.2).

The initial national level focus on the NAPs, was also corroborated by the interview conducted with the relevant government representative, who stated that „the ordeal was not so much the law, but the allocation plan, transferring the rules to the individual sectors and individual installations” (Interview 1: 9, translation from the German original). The reasons for this are self-explanatory and detailed by the European Environmental Agency (2008) in its technical report: “The development of the NAP and the allocation of allowances are at the core of the Directive's implementation. These decisions may influence the competitive positions and profits of the companies covered by the scheme and are, therefore often controversial.” (55). As such the NAPs are an ideal entry point for investigating both conflicts and influence.

4.2.1 National Allocation Plans

In the original research design, the plan in terms of emissions trading was to focus on the development of the second NAP in Austria. However, a review of the available documentation and the interviews conducted, made it clear that, as one interview partner put it, “you can only understand the NAP II, the origins of the NAP II, from the background of the origins of the NAP I” (Interview 5: 8f). Accordingly, the analysis below begins with the development of the original NAP before moving on to the NAP II.

In their study on the development of the first NAPs, Buchner et. al. (2006) noted that, “In all the Member States examined in our project, except one, the allocation process can best be described as an extended dialogue between the government and industry.” (5). This observation is particularly applicable to, and can certainly be corroborated in the case of Austria, where work on the

fundamentals of the first NAP started in the form of studies, which were conducted 2003, prior to the existence of any legal framework. These studies included the baseline study on emissions of ETS installations in Austria, commissioned by the Ministry of Environment and conducted by the Institute for Industrial Ecology and the Federal Environmental Agency as well as a study commissioned by both government ministries and stakeholders²⁴ and conducted by the Institute for Economic Research (WIFO) and KWI consultants. The first study mentioned, was conducted to ascertain the actual, then current level of (ETS) emissions and the approximate distance of individual installations to sectoral best practice levels (see Windsperger et. al. 2004: 3). The second study referred to, looked at the different possible methods of allocation and their potential effects on three sectors. This study identified three possible means of allocation: planned production, planned production using benchmarks and historical production (see WIFO & KWI 2003: 2f). The study found that all three sectors considered – iron and steel, cement and paper (see *ibid*: 3f) – would grow in the period to 2007 and that the growth in efficiency would be lower than the growth in production and hence a sum-total growth in emissions was to be expected (see *ibid*: 4). A central conclusion of the study was that “compared to allocation based on historic emissions”, when using a means of allocation which considers future production, “higher amounts of certificates could be reckoned with” (*ibid*: 6, translated from the German original).

Although being a perfectly legitimate means of ex-ante calculation of future emissions, applying trend studies as opposed to historical emissions provided for a higher business-as-usual scenario. “The point was, where is the baseline; from which point to do you subtract (note: the climate factor, or contribution to emissions reduction target)” (Interview 1: 6). The question of the method for determining the total amount of certificates to allocate was clearly one of the central conflicts in the development of the NAPs. On the one hand, the environmental ministry (the representative mentioned that environmental NGOs were not really present in the debate, due to the complex and technical nature of the material) (see Interview 1: 8) which is in charge of Austria's (legally binding) emissions reduction targets had the agenda of keeping the *total amount of certificates as low as possible*, and on the other hand industry and power

²⁴ Ministry of Environment, Ministry of Commerce, Federation of Industry, Federation of Paper Industry, Voest Alpine AG, Chamber of Commerce and a cement company.

generation installations covered by the ETS wanted to keep their *costs as low as possible*, and as such lobbied for high allocation of certificates. As Hyll et. al. (2004) have noted, “due to the interests of the sectors concerned, a consensus could only be reached based on generous allocation” (255, translated from the German original), not least because, „due to incomplete information and fear about a deterioration in competitiveness (particularly in relation to the acceding countries), industry adopted a hard negotiation position during the process of preparing the national allocation plan“ (ibid: 256). This is also clearly corroborated in the interview with the Federation of Industry representative, with respect to the studies conducted prior to the first NAP: “We knew that industry would be emitting a few million tons of CO₂ more in the years to come, and as such – for us internally in the IV – it was totally clear that a historical allocation was unacceptable and it was then all about anchoring the second option, the trend studies, politically“ (Interview 5: 9).

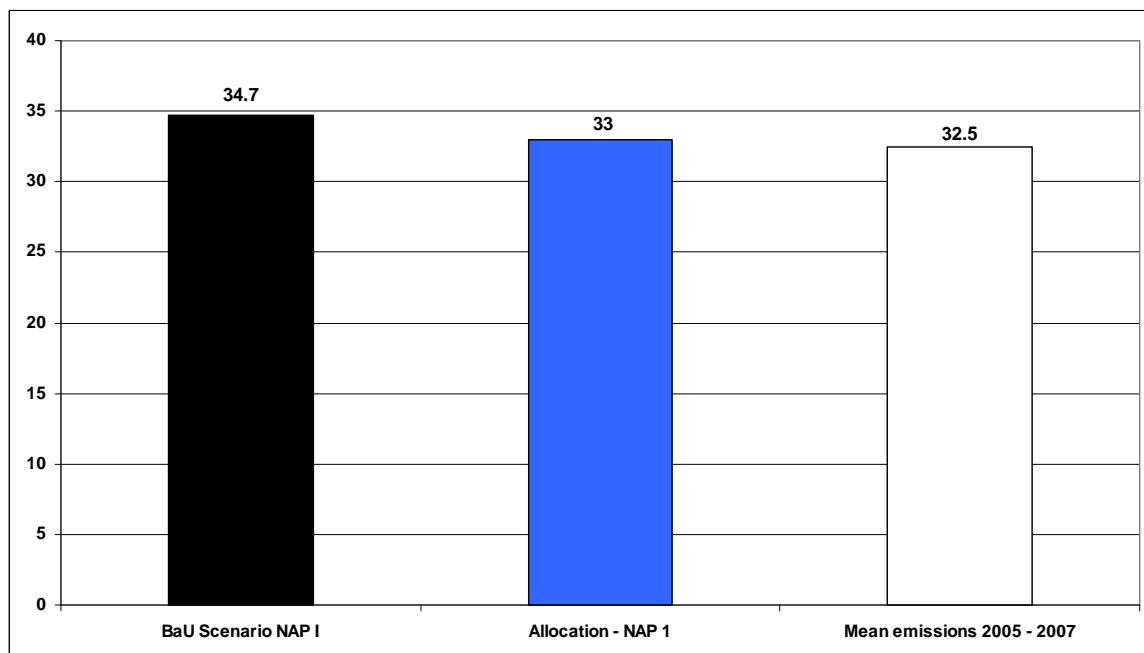
Not only were the affected business sectors involved in this process, but other government ministries, evidently more concerned with servicing their particular clientele rather than reaching a reduction in emissions, also pushed for higher allocation. In Austria, as was the case in most EU countries “the government participants in this process were nearly always the environmental ministry in the lead with the ministry charged with economy or trade heavily involved (...) either as a means of obtaining the necessary data or at the instigation of industry.” (Buchner et. al. 2006: 6). In the case of Austria this was summarized quite succinctly by the representative from the Ministry of Environment: “We needed the consent of the Minister of Commerce, who refused his consent, until business had what it wanted“ (Interview 1: 8).

Pressure for higher allocation was not only mediated through the relevant ministry or interest representation organisations, but also occurred directly. This situation and the conflict between the wish for restrictive allocation from the Ministry for Environment on the one side, and intense pressure from various angles pushing for higher allocation on the other side is well captured in the following quote: „I would have wished for a lower total allocation, but the political pressure was infinitely high – on us – of course also on the Minister – through the commerce minister – through other ministers – direct pressure on the federal chancellor. Eder – from Voest – reaches for the telephone and calls the

chancellor“ (Interview 1: 6). This estimation was also clearly corroborated in another interview conducted: “In the case of emissions trading, they (note: Voest) and also general director Eder always lobbied intensively” (Interview 6: 4).

Individual lobbying and cumulative efforts in the form of studies and pressure from interest representation, described above, culminated in a business-as-usual scenario for the first NAP, for the period 2005 – 2007, of 34.7 mill. tons of CO₂ annually. Once the climate factor had been subtracted from the business-as-usual emissions total, the total number of certificates to be allocated every year stood at 33 mill. tons (see Tab. I below).

Tab. I: Business-as-Usual, Allocation and Emissions for NAPs (mill. tons)



Sources: adopted from Federal Ministry of Agriculture, Forestry, Environment and Water 2007 and Federal Environment Agency 2009

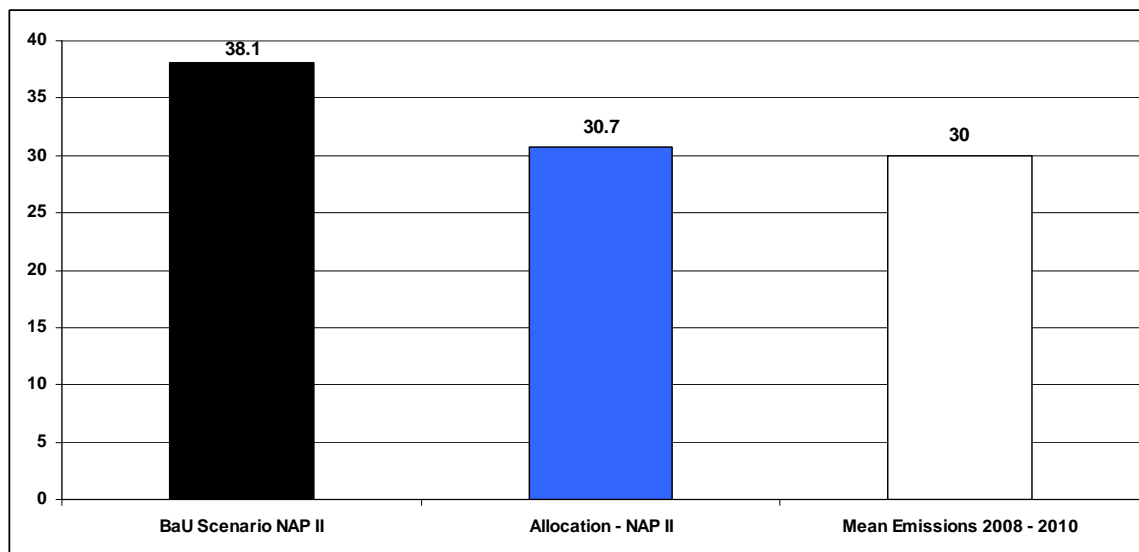
As can be seen from Table I, average emissions during the first trading period were half a ton under the total quantity of certificates allocated. Although this ‘only’ translates to 1.5 per cent of the total annual certificates issued, the consequence is that an instrument designed to act as an economic incentive to reduce carbon emissions is over allocated and not only does the instrument not have the desired effect of incentivizing low-carbon investment, but in the worst case subsidizes corporate profit.

What makes emissions trading a particularly interesting case in point, is that on the one hand there is a sectoral or even trans-sectoral, all ETS installations encompassing interest which, as has been shown above, brought pressure to bear on actors at various different levels using a variety of means. What makes the issue so contested however is that, as has been noted by Buchner et. al., there is also the individual, self-maximizing interest at an installation level: “On the part of industry, there was of course much lobbying, but the fixed total forced all players into a zero-sum game where a defensive concern about what competitors would receive became as important as offensive attempts to gain more for themselves.” (2006: 6).

This is also clearly evident in Austria. In relation to the two creation of both NAP I and II, the representative from the Ministry of Environment interviewed stated that “It was a protracted process. We have around 210 installations in Austria and I have had practically every one of those 210 installations sitting here at some point during those years” (Interview 1: 8f). On the installation level, “everyone fought for every single ton” (ibid: 9).

On the level of ETS installation interest representation, “the challenge for the NAP II, was to salvage the basic method, the growth or trend orientated scenario into the second allocation period, and that was successful” (Interview 5: 9). Quite how successful this activity was is demonstrated by the business-as-usual scenario in the Austrian NAP II. Although the amount of certificates allocated and the actual emissions (to 2010) were considerably lower than in the NAP I, the initial business-as-usual scenario, at 38.1 mill. tons, was over 3 mill. tons higher than the corresponding scenario in the NAP I. As the representative from the Ministry of Environment put it, „the goal of these studies was to calculate as high as possible – huge growth – absurd, absurd results“ (Interview 1: 6).

Tab. II: Business-as-Usual, Allocation and Emissions for NAP II (mill. tons)



Sources: adopted from Federal Ministry of Agriculture, Forestry, Environment and Water 2007 and Federal Environment Agency 2011 & 2012

As was the case in the NAP I, the actual observed average emissions are below the allocated amount of certificates. In this case, the discrepancy can be explained by the emissions in 2009, which due to the financial and economic crisis were over 3 mill. tons beneath the allocated level. Had the initial Austrian proposal (which was subsequently reduced by the European Commission, see below) been accepted however, then the difference between allocation and actual emissions would have been significantly higher, resulting in a certificates market considerably longer than it already currently is (Lewis 2012), further diminishing the incentive for low-carbon investment.

As has already been mentioned above, the creation of the NAP II was not only surrounded by considerable conflicts between various interests within the Austrian national framework, but also between the Austrian and European levels. In the draft NAP sent from the Austrian Ministry of Environment to the European Commission in January 2007, 32.8 mill. certificates per annum were proposed (Federal Ministry of Agriculture, Forestry, Environment and Water 2007: 5). In its decision on the Austrian NAP II, the Commission stated that “the intended total quantity of allowances to be allocated according to the national allocation plan would be inconsistent with achieving Austria’s commitment under Decision 2002/358/EC and the Kyoto Protocol.” (European Commission 2007: 3). Due to

this contravention of Austrian commitments, the Commission decreased the total number of annual certificates by over 2 mill., resulting in a final total of 30.7 mill. tons (see Tab. II). The result was an outcry from industry, “but fortunately we prevailed and told them that there is little point in protesting, that will only result in legal uncertainty. They pushed us, told us we must object and so on” (Interview 1: 11).

As can be seen quite clearly above, ETS installations and their interest representation organisations were remarkably successful during the creation of both NAP I and II. Sceptical arguments were fairly limited within the whole process and confined to issues of (the) necessity for growth on the one hand, and individual issues of competitiveness on the other. ETS installations however did not need to utilize sceptical arguments because firstly, the debate was of a far too technical nature for most people and organisations (reference was also made to environmental NGOs) to understand (see Interview 1: 8) and secondly, interest representation were able to influence the process directly through the baseline studies conducted on their behalf.

The privileged position and access of relevant interest organisations in Austria will be discussed in further detail in chapter 6, however during the course of the interviews a particularly illustrative point was made, which will be touched upon here. When asked about how these actors are involved/involve themselves in the decision-making process, the representative from the environmental ministry stated that “we have a technical working group in which business representatives sit, also the Chamber of Commerce, the Federation of Industry and the Association of Austrian Energy. And the ministerial representation in essence is the economics ministry” (Interview 1: 8). What is particularly interesting about this statement is the fact that *interest representation* organisations participate in a *technical* working group, a working group to which they are by definition invited as *experts* and not as (vested) *interests*. When vested interests are communicated in the apparent form of expert knowledge – something usually attributed to the scientific and supposedly interest ‘neutral’ realm – they gain a totally different form of legitimation than they would otherwise have and interests (which are counterproductive in terms of progressive climate policy) ‘become’ expert knowledge which forms the basis for of so-called ‘evidence-based’ policy making.

4.2.2 Emissions Certificates Act - Amendment 2011

With the 2011 amendment to the EC-Act, the EU directive 2009/28/EC was translated into national law. As has been stated above, with the relocation of decision-making regarding allocation of emissions certificates (the primary issue within emissions trading) to the European level, conflicts within the amendment were reduced to matters such as the question of the dedication of income gained through the auctioning of emissions certificates. As such, this chapter will be kept fairly brief and touch only upon this issue. As has been mentioned in chapter 4.1, the directive stated that a minimum of 50% of revenues *should* be used for climate mitigation and adaptation purposes. Accordingly, the ministerial draft introduced into parliament in April 2011 stated, “The income generated through auctioning shall go to the federal government. This income is to be used in particular for (...)” (Federal Ministry of Agriculture, Forestry, Environment and Water 2011: §21) at which point the measures described in the respective paragraph of the directive are listed. In the following comment period, a number of governmental and non-governmental organisations addressed this issue. The federal states primary concern was that the funds should flow to the federal government and not, at least in part, into their budget (see for example, Federal State of Burgenland 2011: 1).

One energy company, Verbund, and other stakeholders – primarily interest representation organisations – such as the Federation of Industry, Austria’s Electricity, the Chamber of Commerce’s gas sector but also the Ministry of Commerce all demanded that the money flow back to Austrian companies in one form or another. Various arguments included using the money to compensate carbon leakage or for efficiency measures in the energy and industrial sectors (Federal Ministry of Commerce, Family and Youth 2011: 4), “should be made available to Austrian companies” (Chamber of Commerce, Sector for Gas and Heating Companies 2011: 5) or used by ETS installations for energy efficiency measures (Federation of Industry 2011: 2). Most other comments received did not touch upon this particular issue.

Although the arguments employed by actors arguing for the allocation of funds (back) to Austrian companies are not sceptical arguments as such, they do argue for a policy which would subsidize companies with exactly the funds which are being levied upon them to incentivize change.

On the other hand, although not brought to bear in the comment period, the position of the green party (as mentioned in their amendment proposal, subsequently rejected, during the parliamentary debate on the government bill) was to bind the revenue to climate protection measures, without further specification (Parliament of the Republic of Austria 2011: 271). This position is similar to that of the environmental ministry (see Interview 1: 12) and to the position of environmental NGOs (who presumably did not comment as this use was implied by the original legal text contained in the ministerial draft).

Interestingly enough in this case the government bill when it was introduced in September 2011 (and the respective paragraph in the legal text, which passed unchanged), all references to what the revenue from auctioning of certificates should be used for had vanished, and the text stated: "The income shall flow to the federal government." (Federal Government of Austria 2011: §21). In this case the Finance Ministry, such was the appraisal of our interview partner from the government ministry (see Interview 1: 12), had vetoed any earmarking. Due to the fiscal austerity and budget consolidation taking place in all European countries at the time (post 2008/2009 financial crisis) this is not particularly surprising. It would be hard to argue that the financial ministry took in a position of climate scepticism in this case, but it is a good example – when revenue generated by climate policy is not earmarked for climate policy, even when this is suggested by the relevant EU legislation - of climate policy being considerably lower on the list of governmental (and of course also other) priorities.

5 Green electricity act

As outlined in chapter 3, the primary anthropogenic contribution to climate change is the emission of greenhouse gases resulting from the combustion of fossil fuels. One of the major sources of fossil fuel consumption and hence global GHG emissions is the production of energy. Consequentially, one of the primary motivations for supporting the production of energy from renewable sources (RE; solar, wind, hydro, biomass, geothermal etc.) is that it “displaces fossil fuel based energy and thus contributes directly to the reduction of emissions from energy consumption” (Howes 2010: 117). Within the context of this thesis this argument - based upon climate change mitigation potential - for promoting the production of RE is also the most relevant, although it is far from the only such reason. There are also several different potential reasons for increasing the use of RE such as diversified energy supply, improved trade balance (for net importers of fossil fuels), economic and employment benefits (the sector employs over 1.4 mill. people in the EU) (ibid), the so-called ‘first-mover’ advantage, defence against long-term price increase and/or price volatility of fossil fuels and reduced health risks (Philibert 2011: 9).

One of the barriers to production of RE are the high costs in relation to “competing energy sources” (Howes 2010: 120), “due to the fact that energy prices for conventional fuel cycles do not currently reflect the objective full cost, including the external cost to society of environmental damage caused by their use” (European Commission 1997: 6). For this reason many countries have developed some form of support for RE. Operating support measures are the most common form and range from feed-in tariffs (fixed total price per unit of electricity) and premiums (paid on top of the market price) to quota obligations (obliging consumers, producers or grid operators to source certain percentages of energy from RE) (see ibid: 120f). Whereas 55 countries had some form of support mechanism in place in 2005, this number had increased to 119 in early 2011 (REN21 2011: 48). Accordingly global installed wind power has increased 11-fold to 198 gigawatts from 2000 to 2010 and Photovoltaic has increase 28-fold to 40 gigawatts in the same period, to mention a few examples (ibid: 20ff).

5.1 EU Level

The creation of EU policy on RE was beset by considerable challenges and conflicts, resulting in a considerable legislative time-frame. Following a Green Paper – ‘Energy for the Future: Renewable Sources of Energy’ published in 1996, the European Commission released its White Paper – by the same name – in 1997, but did not propose a directive until mid 2000 (see Rowlands 2005: 966). These conflicts related to definitions on the one hand – primarily regarding large hydro (over 10 MW) and the amount of support to be given to various energy sources – to conflicts over targets on the other. The conflicts on targets ranged from the question of the EU total increase, between the EP and EC, to the question of the baseline for measuring RE production (and hence the percentage target in 2010). In Austria this conflict continued for quite some time, as the target stated in the directive, 78.1% of electricity generation by 2010, related to a total electricity consumption volume (in 2010) of 56 TWh, a figure which was clearly an inaccurate estimate (ibid: 967f).

In 2001 a consensus was reached and the subsequent directive, 2001/77/EC²⁵, was published with the purpose of promoting “an increase in the contribution of renewable energy sources to electricity production in the internal market for electricity” (EU 2001). This directive provided the framework for the original version of the law on RE as well as the 2006 amendment (see below).

The directive itself was amended as part of the European Climate and Energy Package (see chapter 3) resulting in the directive 2009/28/EC – with adjusted targets – which provides the framework for the law on RE 2012.

5.2 Austria

Austria actually had legally defined targets for renewable energy prior to the translation of the first RE directive into national law. In 1998 the Austrian parliament passed the electricity market law (EIWOG), on the basis of the EU internal electricity market directive (96/92/EC). Although the directive only stated that “A Member State *may* require the system operator ... to give priority to generating installations using renewable energy sources” (European Union 1996:

²⁵ The corresponding directive (2003/30/EC) for the transport sector, the so-called Biofuels Directive, was passed in 2003 (Howes 2010: 122).

Article 7, italics added), the national law made it *mandatory* for grid operators to increasingly purchase renewable energy with a national target of 3% (excluding hydro) to be reached by 2005 (see Federal Republic of Austria 1998: § 31).

In 2002 the Green electricity act was passed. This original version of the law specified a commitment to accept electrical energy from renewable resources, at prices (feed-in tariffs) to be established by legislative regulation by the Ministry for Commerce in consultation with the Ministry for Environment and the Ministry for Justice (Federal Republic of Austria 2002a: §10 & 11). No limits were placed on the total volume of support to be given or the total number of installations able to apply within a given time frame. The costs of the support measures were raised by a cent-per-kWh charge, levied on end customers by network operators (ibid: §22).

5.2.1 2006 Amendment

In 2006 the GE-Act was first amended. The position of all three interview partners, interviewed in the exploratory phase of the research was that this modification was a considerable set back for the production of renewable energy in Austria.

Following significant growth of installations in the RE sector – some of which, even staunch RE proponents have argued, were not of the highest quality (see Interview 7: 6) – and as such, rising costs of RE for end customers, many actors, ranging from government ministries themselves, over the regulatory authority to interest representatives, demanded a cap on the amount of RE support (see ibid: 9). In early 2004, around one-and-a-half years after the original law, a number of interest representation groups – the Federation of Industry, Chamber of Commerce, Chamber of Labour and the Federation of Trade Unions (the so-called ‘alliance of payers’) (Chamber of Commerce 2006: 5) – made suggestions as to how the law could be amended. It should be noted at this stage that representatives from the Austrian federal states have suggested that the (lack of) efficiency of many of the installations receiving support (one of the primary arguments), could have been tackled by reforming the tariff regulations and that

the inclusion of a cap²⁶ coupled with the reform of tariffs was equal to a double restriction (see Interview 7: 6 & 7) and the lengthy legislative reform process described in the following - and hence the set backs for the production of RE - have been avoided. Clearly other interests – e.g. the capping of funds made available and hence the capping of RE production – played a part.

The arguments in support of the list of suggestions for reforming the GE-Act, made by the ‘alliance of payers’ in March 2004 were as follows: “For business, particularly energy intensive industry, a further increase in the energy cost burden would inevitably lead to a halt in investment, relocation of production and endanger international competitiveness with negative impacts on employment and regional development” (Chamber of Labour, Chamber of Commerce, Federation of Industry & Federation of Trade Unions 2004 cit. in Glawischnig 2004: 8, translation from German original²⁷).

The demands of the ‘alliance of payers’ included, i.a.:

- Immediate re-regulation of feed-in tariffs
- Considerable lowering of feed-in tariffs
- Declining feed-in tariffs
- Limiting support to “the amount of funds available”
- Limitation of costs for energy intensive industry
- Concentration of support funds on the most economically efficient installations (ibid: 9 & Chamber of Commerce 2006: 4)

²⁶ In the following discussion, much reference is made to the cap placed on additional funds for RE installations. Between 2002 and 2006 where no such cap existed, any RE installation that fulfilled the applicable criteria would be granted funding (either in the form of investment subsidies for hydro power or heat and power co-generation installations or in the form of feed-in tariffs for other installations). As of 2006 the additional funding made available for new installations was capped (initially at 17 mill. Euros annually). The cap on funding for feed-in tariffs related to the respective year in question - once accepted under the RE regime, installations would receive the feed-in tariffs for the full period (so if 17 mill. Euros is made available for feed-in tariffs annually, then total feed-in tariffs would be at 17 mill. Euros in year 1, 34 mill. Euros in year 2, 51 mill. Euros in year 3 etc.).

²⁷ It should be noted that the source cited is a member of the Austrian Green Party. The ‘social partner document’ referred to in the powerpoint presentation from the Chamber of Commerce cited below (at that time still ‘secret’) was included as part of press conference documents on 20th of April 2004. The arguments and demands included are corroborated within the powerpoint presentation and in various other documents from the actors in question.

In July 2004, the ministry presented a draft bill, subsequently made available for comments. Several of the demands made by the ‘alliance of payers’ were included. §10 was re-written to include the cap, limiting support to the “the amount of funds available” (Ministry of Commerce 2004: 7). Suggestions were also included to differentiate the costs of RE, depending on the network level²⁸ of the customer (ibid: 10f). Although this is not an actual limitation of costs for energy intensive industry (a measure finally agreed upon in the second amendment of 2008 in the infamous §22c regulation, which was later overturned by the European Commission on the grounds of competition and environmental issues) (see European Commission 2011: 1) as demanded, it clearly benefits larger customers (for example the proposed regulation stipulates RE costs of 0.067c / kWh for network levels 1-3, 0.176c / kWh for levels 4-5, 0.207c / kWh for level 6 and 0.334c / kWh for level 7 – households, for 2005) (ibid: 10). A concrete limitation of the additional annual funds available in terms of figures was not included in the ministerial draft, nor was the concept of declining tariffs.

The comment period for the 2006 amendment of the GE-Act was very unusual, in the sense that no comments were received from any members of the ‘alliance of payers’ who are normally amongst the most vocal and very rarely fail to pass comment on bills relevant to them. This would suggest that they were either satisfied by the fact that many of their comments had been taken account of in the ministerial draft and/or decided to continue to pursue their agenda on a more informal level.

Comments were received from a number of actors, including ministries, all federal states, NGOs and other institutions such as the Court of Audit. The federal states all categorically rejected the ministerial draft, many of them referring to reform suggestions made by the provincial governor’s conference earlier that year²⁹. In general, much criticism was levelled at the draft. The state of Burgenland, for example, mentioned that the measures were not in accordance with the climate strategy and would lead to Austria being unable to

²⁸ The Austrian electricity grid is split-up into 7 different levels. Typical customers on network levels 1 & 2 are energy intensive industry; levels 3 & 4: industry; level 5: medium sized business (non-industrial) and small industry; level 6 small business (non-industrial); level 7 households. The various levels are charged differing lump-sum RE costs: levels 4-7: €15,000 p.a.; level 5: €3,300 p.a.; level 6: €300 p.a.; level 7: €15 p.a. (Austrian Wind Energy Association s.a.)

²⁹ The author searched for the suggestions referred to in the comments but was unable to find them.

reach its EU RE targets and Kyoto reduction targets (2004: 2). Several states criticised the legal uncertainty for operators of RE installations resulting from the cap on support to the “the amount of funds available” (e.g. *ibid*: 9, Federal State of Lower Austria 2004: 3).

It is of considerable significance – bearing in mind the traditionally strong position of federal states in Austria – that neither the suggestions of the conference of governors were adopted nor the main points of criticism levelled at the draft included in their comments incorporated in the subsequent government bill. A federal state representative remarked in this respect that the states tried to have the cap removed from the draft (see Interview 7: 3) but to no avail. It was contended that in the case of the GE-Act, the E-Control represented the interests of the Federation of Industry the Chamber of Commerce and the Chamber of Labour and their arguments (see *ibid*: 8).

In October 2004, the government bill entered parliament. The cap on support based on “the amount of funds available” was included, additional annual funds were limited to 17 mill. Euros for 2005 – 2010, and declining tariffs – another of the central demands of the ‘alliance of payers’, not included in the ministerial draft – had been incorporated (Federal Government of Austria 2004).

Due to the fact that the GE-Act requires a two-thirds majority to be accepted in parliament, the then governing conservative-freedom party government was reliant on the approval of the social democratic party. Due to a number of reasons³⁰ – i.a. demands on power-heat cogeneration – negotiations collapsed. Only once suggestions for a compromise had been made by the ‘alliance of payers’, did the law pass the parliamentary committee – almost a year later – and after a further six months, in which the funding mechanism for support funds was entirely reworked, the amendment finally passed parliament in May 2006 (see Chamber of Commerce 2006: 6).

Within the legal text, the so-called RE cap was upheld. In essence, the – formerly unlimited – commitment to purchase RE was capped by the “amount of

³⁰ Reasons which are not relevant to the questions posed in this thesis and will not be discussed in any more detail here.

funds available” (Federal Republic of Austria 2006a: §10). The cap for additional funds available each year of 17 mill. Euros, was adopted for the years 2007 – 2011 (ibid: §21a).

On the other hand, it was established that feed-in tariffs were to be decided upon either annually or bi-annually as of 2006 and to decline on an annual basis (ibid: §11). Furthermore feed-in tariffs for new installations were lowered and the period of validity for feed-in tariffs shortened (see Tab. III).

Tab. III: comparison of provisions within feed-in tariff regulations 2002 & 2006

	Period of validity	Wind energy feed-in tariffs (kWh) ³¹
Feed-in tariff regulation 2002	13 years	7.80c
Feed-in tariff regulation 2006³²	10 years + 75% in y11 + 50% in j12	7.65c
Feed-in tariff regulation 2006³³	10 years + 75% in y11 + 50% in j12	7.55c

Sources: adopted from Federal Republic of Austria 2002b & 2006b

The 2006 amendment to the GE-Act also changed the funding mechanism. As opposed to the varying charges per network level initially included in the ministerial draft, the original cent-per-kWh charge from 2002 was replaced by a charge per metering point – differing depending on network levels 1-7 - coupled with a RE mark-up on electricity prices. This new system “substantially benefited industrial customers” (Hauer 2006: 9).

The changes enacted in the legal act and the regulation had considerable consequences for the production of energy from renewable resources. Whereas it has been argued that the original legal form may not have been optimal (see Interview 3: 7, Interview 4: 13 & Interview 7: 6), one consequence of the reforms undertaken 2006 was, for example, “that no wind turbine was built in Austria for the next three years” (Interview 1: 15). One of the primary reasons for the amendment and the new tariffs was the question of costs. One of the government representatives interviewed stated that “we saw ... how much the costs were escalating and wanted to avoid that – that was the main reason. It

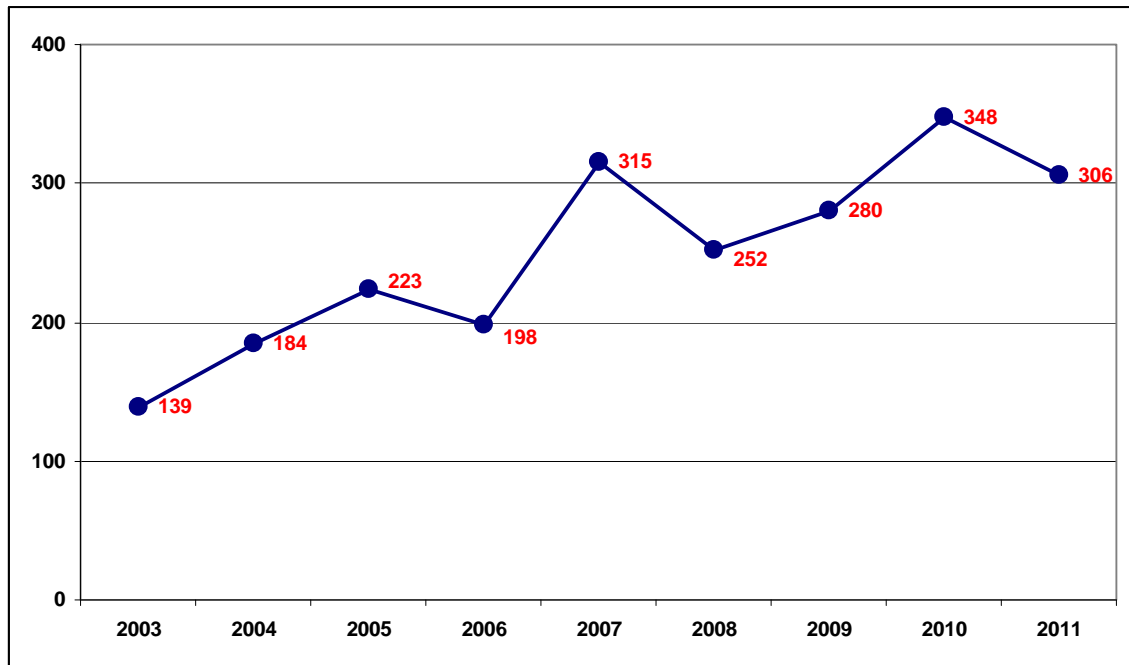
³¹ It was decided to use the example of feed-in tariffs for wind energy as these are most comparable over time

³² for 2006

³³ for 2007

was said, so many mill. are available and no more” (Interview 4: 13). The rise in total costs of RE support are illustrated in Fig. I.

Fig. I: total renewable energy support volume (mill. Euros)³⁴



Source: adopted from E-Control 2011

Clearly the costs were the central conflict within the debate on support for RE. “Payers” and also government representatives were “afraid” of “overwhelming” costs (ibid). Together, the Ministry of Commerce, the regulatory authority and the social partners pushed the agenda of a cap on RE support funds, against the will of the federal states, but also NGOs and individual institutions (see Interview 7: 9).

Some arguments employed have been mentioned above. The primary line of argument was that further economic strain for energy-intensive industry and households would be completely unreasonable (see Federation of Industry 2005) and would lead to Austrian industry being unable to employ Austrian workers and produce on an energy and environmentally efficient level (see Federation of Industry 2004).

³⁴ The total amount of RE support shown in Fig. I, is of course determined in part by the market price for electricity. This is due to the fact that, the actual costs for feed-in tariffs are determined by the height of tariffs minus the market price. Thus the higher the market price, the lower the additional funds required to reach the respective feed-in tariff level. The market prices for the same period are depicted in annex III.

Interestingly enough, the representative of the trade unions in Austria interviewed in the context of this thesis, was of the opinion that the RE costs for the VOEST Alpine (Austria's largest industrial firm) for example, when compared with the companies earnings were "pocket change" and that that law on RE lies under the "level of perception" of companies such as the VOEST (Interview 6: 4).

It seems clear from the above analysis, that many actors with the agenda of limiting support for RE – as an interview partner from the Chamber of Labour put it, "to demand cost restrictions for households, also means demanding a restriction on development of renewable energy" (Interview 2: 13) – were very successful as both additional funds and feed-in tariffs were limited and reduced. As such, influence seems to be given. The question, also posed to interview partners, is why the 'alliance of payers' and others were, as our interview partner from the Federation of Industry put it in self-referential terms, "to successful in 2006" (Interview 5: 7)? One possible answer, which throws up a whole host of other questions, is that "when the Chamber of Commerce is really against something, then it is difficult to achieve it" (Interview 4: 6).

5.2.2 Green electricity act 2012

In an initial improvement (in terms of production of RE) - following a lengthy period in which very few RE installations in general (Federal Environment Agency 2012) and no wind turbines in particular (see above) were built in Austria – tariff regulations were reformed in 2010. On the one hand feed-in tariffs for wind power were increased, on the other hand the period of validity was increased for all types of installations (see Tab. IV).

Tab. IV: comparison of provisions within feed-in tariff regulations 2009 & 2010

	Period of validity	Wind energy feed-in tariffs (kWh)
Feed-in tariff regulation 2009	10 years + 75% in y11 + 50% in j12	7.53c
Feed-in tariff regulation 2010	13 years (wind, PV, geothermal), 15 years (biomass-, gas etc.)	9.7c

Sources: adopted from Federal Republic of Austria 2009 & 2010

The reformed feed-in tariffs resulted in a boom in applications for RE support in 2010. However, as has been noted in the context of the amendment 2006 (above), RE was in effect subject to a double restriction and as a result the flood of applications had soon fully utilized the capped amount of support (21 mill. Euros in additional RE support annually) (Federal Republic of Austria 2008: §21a).

The new green electricity act 2012³⁵ addressed this problem and improved conditions for RE production considerably. In terms of comparability to the amendment of 2006, it should be noted that §10 which stipulated the cap on the commitment to purchase RE by the “amount of funds available”³⁶ and §11 relating to declining feed-in tariffs³⁷, although subject to criticism in the comment period (see for example Federal Ministry of Agriculture, Forestry, Environment and Water 2011: 7, Friends of the Earth Austria 2011: 2, Chamber of Agriculture 2011: 7), did not change³⁸ in the course of the legislative reform in 2011.

The draft bill for the GE-Act 2012 was presented to parliament in late March 2011. §4 included goals for the production of RE by 2015. §23 stipulated a cap (formerly in §21a) of 800 mill. Euros in total funding for RE production (equivalent to approx. 30 mill. Euros in annual, additional funding based on 2011 electricity prices) (Günsberg 2011). This was a change away from the original form of stipulating the additional funds available each year and was subject to criticism in terms of its volatility to changing market prices (if the total financial volume available for RE is stipulated, then rising market prices inevitably lead to lower support volume) (see Federal Ministry of Agriculture, Forestry, Environment and Water 2011: 15). Other changes included, for example, a one-time allocation of total support volume of 1,000 mill. Euros (§56) for wind energy to remove the accumulated back-log of applications, albeit at a feed-in tariff of 9.3c / kWh (below the tariffs in the regulation) (see Ministry of Commerce, Family and Youth 2011).

³⁵ Passed parliament in July 2011. Originally a further amendment of the law was planned, but changes turned out to be so significant that the legal form of an entirely new law was chosen.

³⁶ Changed to §12 in the GE-Act 2012

³⁷ Changed to §19 in the GE-Act 2012

³⁸ The wording of the individual paragraphs was changed in part. What is meant is that no substantial changes in terms of the effects of the provisions were made.

In the comment period 40 comments were received in total. Interestingly enough, three of the four members of the 'alliance of payers' formed for the 2006 amendment who did not comment in 2004 (comment period for the 2006 amendment), commented on this occasion. The Chamber of Labour's primary concerns related to the energetic use of foodstuffs (a fairly ideological issue, see below) and to RE costs of low-income households (2011: 2 & 3f). The Federation of Industry made its acceptance of the total RE funding of 800 mill. Euros dependent upon a cost restriction for energy intensive industry (2011: 5). The Federation of Trade Unions has (partly) changed its stance on RE (from restrictive to progressive), not least due to participation in a forum together with many NGOs (Interview 6: 2), and although sharing some points of view with the Chamber of Labour (e.g. protection of low-income households) also voiced many of the same concerns as environmental NGOs (Federation of Trade Unions 2011: 2ff). No comment was received from the Chamber of Commerce.

Renewable energy interest representation groups, environmental NGOs and several federal states shared many concerns relating to suggestions made in the ministerial draft. Although differing with regard to specific paragraphs (and in relation to the specific interests, such as type of energy to be supported) many comments coming from this (admittedly heterogeneous) group were quite similar. There was a high level of consensus, for example, regarding the time-frame for targets, with almost all comments making reference to the fact that the EU climate and energy package has targets for 2020 and hence also demanding targets for 2020 (as opposed to 2015) for the Austrian bill (see i.a. Biomass Association 2011: 1, Green Party 2011: 1, Friends of the Earth Austria 2011: 1 or Federal State of Tyrol 2011: 1). With regards to the amount of support for RE, demands ranged from removing the cap completely (see i.a. Federal Ministry of Agriculture, Forestry, Environment and Water 2011: 4, Friends of the Earth Austria 2011: 2) to comments requesting clarification (see i.a. Federal State of Styria 2011: 1, Federal State of Corinthia 2011: 1) or removal (see i.a. Compost Partnership 2011, Federal State of Lower Austria 2011: 5) of the stipulated total amount of support according to §23 of the proposal. Several comments also criticised the proposed tariff of 9.3c / kWh for wind energy (for the application back-log removal) in §56 (see i.a. *ibid*: 30, Union of Wind Energy 2011: 1).

When the government bill was introduced into parliament in mid 2011, several of the concerns voiced in the comment period had been addressed. Concrete targets for each form of RE were included for the period 2010 to 2020, including 1,000 MW hydro power, 2,000 MW wind power, 200 MW biomass and biogas power and 1,000 MW photovoltaic power see (Federal Government of Austria 2011: §4).

In terms of the annual support volume, the bill abandoned the idea of total financial volume (as suggested in the ministerial draft) and reverted to the original form of total additional volume. As opposed to the (approximately equivalent) 30 mill. Euros originally suggested, the bill provided for 40 mill. Euros additional support volume annually. Furthermore the 1,000 mill. Euros of one time total support for the backlog of wind energy applications (originally §56), was replaced with an additional support volume of 60 mill. Euros for wind energy and 28 mill. Euros for photovoltaic energy (ibid: §23).

The criticism levelled at the lower feed-in tariffs offered to the back-logged wind energy applications (9.3c as opposed to 9.7c / kWh) was also addressed. Installations entering a contractual agreement with the clearing and settlement agency for green electricity (German: Ökostromabwicklungsstelle) in 2012 or 2013 were to receive feed-in tariffs of 9.7c / kWh. Installations entering a contractual agreement in 2014 or later were to receive 9.4c / kWh (ibid: §56).

The final legal text, passed in July 2011, also included several changes. Targets for 2020 remained unchanged from the government bill, with the exception of photovoltaic energy which was increased from 1,000 MW to 1,200 MW (Federal Republic of Austria 2011: §4).

Additional annual support volume was also increased from 40 mill. to 50 mill. Euros and the additional support volume for the wind energy backlog was increased from 60 mill. to 80 mill. Euros (ibid: §23). The feed-in tariffs for back-logged wind energy applications entering a contractual agreement in 2014 or later were also improved (ibid: §56).

In terms of the source of RE funding, both the Chamber of Labour and the Federation of Industry were successful with their demands. In terms of a cost restriction for low income households a limit of 20 Euros of RE costs was introduced (Federal Republic of Austria 2011: §49). The costs for energy intensive industry were also considerably reduced. As opposed to paying a

percentage of total electricity costs in RE costs (with correspondingly higher costs for higher electricity use), in future RE costs are in the form of an additional lump-sum on grid tariffs (ibid: §48).

As has been stated above, the GE-Act requires a two-thirds majority to be passed in parliament. The balance of power in the Austrian parliament in 2011 was such that the governing social democratic party-peoples party coalition required the votes of at least one of the three opposition parties to pass the bill. Originally, negotiations began with the freedom party to reach an acceptable consensus. For reasons not specified, the freedom party then decided that it would not support the bill. The government turned their attention to the Alliance for the Future of Austria (BZÖ) to support the bill. The coalition thus formed was however, only marginally over the two-thirds majority required. According to the assessment of one of our interview partners, the coalition government was somewhat reluctant to rely only upon a very fragile majority with a partner, who could not necessarily be relied upon to vote collectively. As such, the decision was made to approach the Green Party. However the Green Party began negotiating upon the foundations laid by the BZÖ, and as such improved (from a RE perspective) the already quite progressive compromise. This was corroborated in the interviews, where the opinion was that to retain its reputation the Green Party must ensure that considerable improvements to the status quo are included in any legislation it supports (see for example Interview 3: 12).

When asked which framework conditions were responsible for the considerable legislative changes in the GE-Act between 2006 and 2011, several reasons were mentioned such as the current salience of the theme (see Interview 5: 7), a change in minister, the missing of climate targets, the strength of the green energy lobby (see Interview 3: 10) or the events in Fukushima³⁹ (see ibid, Interview 4: 14). In light of these changes and the Austrian targets for RE (of 34% by 2020 from the EU RE directive), it was important for the government to make a statement, and in this context the 'seal of approval' of the Green Party seems to constitute such a statement, as is reflected in the comments made in

³⁹ The reference made here is to the catastrophe in the nuclear power plant of Fukushima Daiichi in Japan in March and the subsequent change in the European energy landscape following the decision of the German government to abandon nuclear power.

the interview with the representative of the Social Democratic Party (see Interview 8: 5).

The above analysis shows that the particular conditions in 2011 – the necessity to translate Austria's EU 2020 target of 34% RE to action, the change in the global and European energy landscape following Fukushima and the legislative involvement of the Green Party – were conducive to a progressive GE-Act.

This situation was complemented by the pressure coming from the Austrian federal states. The respective interview partner was of the opinion that the 2012 GE-Act was a big step forward due to the significant increase in funding, despite the fact that the federal states did their best to have the cap abolished, a concern voiced but ultimately faced with too much opposition from the social partners. Where the interview partner was adamant, was that the federal states had criticised the GE-Act in its various forms for several years, and that the 2012 act grew out of their criticism (see Interview 7: 3).

As described above, some restrictive elements (from the position of RE production) remained in place, and these were highlighted in the interview conducted with the representative from the Federation of Industry. It was pointed out that the cap on funding (albeit a very high cap from the position of industry), declining tariffs, and innovative aspects such as diversified (different energy forms) support mechanisms remained in place. These aspects and the implementation of a cost restriction for energy intensive industry – termed a “life boat” – “are in place, because the Chamber of Commerce has contacts into the Ministry of Commerce” (Interview 5: 6).

In summary, the GE-Act 2012 can be described as a considerable improvement for RE production. Clearly, actors opposing progressive RE policy were not as successful in implementing restrictive elements in the legislation as they were in 2006 (described in the previous chapter). Both representatives from the Chamber of Labour and the Chamber of Commerce made reference to the Austrian Energy Strategy, describing it as a broad consensus and a good basis for developing RE production, a position both organisations would have been happy to support. The GE-Act 2012, both argued, went considerably further than the consensus position (see Interview 2: 14 & Interview 3: 11). The position of

the Chamber of Labour went further, describing the action of the “agricultural minister” as having bowed to the particular interests of the RE lobbies and having created “a bottomless [financial] pit for households” (Interview 2: 14).

Many of the explicit conflicts visible in the debate around the amendment 2006 were either alleviated or less visible in 2011. Based on the above analysis, it seems probable that representatives of industry and households were satisfied with the cost restrictions achieved for their respective clientele, and that the framework conditions and the political and societal pressure for a progressive GE-Act was such that resistance over and above the points mentioned were considered futile.

Considerable efforts, however, did originally go into influencing the Austrian EU RE target (WIFO study referred to in chapter 6.1) on the one hand and on the other hand, many other conflicts and attempts to shape the discourse on RE – conflicts of a more general manner, not necessarily relating to specific provisions, but nonetheless clearly visible in the interviews conducted, are outlined below.

5.2.3 Conflicts surrounding renewable energy in Austria

Many of the conflicts, arguments employed and channels of influence pursued which were identified in the course of this research, do not relate to specific amendments of the GE-Act, but to the topic of RE in general. An issue which has always surfaced in the debate on RE is the question of costs. As put succinctly by the representative from the Federation of Industry: “Supporting renewable energy is right and is good. Where opinions differ, is the extent and the structure of the support” (Interview 5: 4). The fact that actors representing interests that have to carry these costs voice their opposition is to be expected. That actors who profit from particular policies voice their support seems equally obvious. Where conflicts become interesting is in the case of actors who at a first (and also second) glance seem to be ‘neutral’ with regard to the issue in question. One such actor referred to in the course of the interviews conducted, is the electricity market regulatory authority (E-Control), a body that is at least in theory supposed to be independent. According to one interview partner however, the E-Control was often in favour of rather more restrictive policy (see Interview 7: 6) in

relation to RE production. As has been mentioned above, the regulatory authority was one of the actors demanding a cap on RE support in 2006, representing the interests of the members of several of the 'alliance of payers' (see *ibid*: 8). It seems rather odd that a regulator, who self-referentially states, that "to act even-handedly in the interests of all market participants, regulators must be politically and financially independent." (E-Control 2012), should represent certain interests. Some light is shed on this situation by the assessment that the regulatory authority and the Ministry of Commerce work together closely (see Interview 7: 9) and in turn by the fact that the Ministry is subject to certain constraints (see Interview 8: 2) by the clientele it serves (see Interview 4: 17).

One conflict which has consistently accompanied the debate on RE in Austria, is the question over the types of energy to be supported, in particular biomass and biogas. On the one hand, industry representatives argue that the use of biomass for heat generation is an acceptable form of resource deployment, but that the use of biomass – particularly biomass which would otherwise be used by the Austrian paper industry - for power generation is wholly unacceptable (see Interview 5: 5f). A government representative interviewed referred to the use of biogas in the context of the GE-Act as a "botched" issue where "massive mistakes" were made (Interview 4: 4). On the other hand, representatives from the Chamber of Labour strictly oppose the use of resource based RE production in general. The use of resource based installations are referred to as "instruments deployed in the interests of agricultural politics" (Interview 2: 3) and that decisions regarding energy "production from biomass ... are massively interest-led decisions" (*ibid*). In the course of the interview conducted, a concrete example was cited in relation to the tariff regulation for 2010. Following a report issued by the regulatory authority regarding tariffs, the "agricultural ministry" (*ibid*: 18) issued a counter-report. The two reports, it was added, contained very different figures concerning the proposed height of feed-in tariffs for biogas and the "report from the agricultural ministry clearly had the aim of raising the tariffs for biogas in the report of the regulatory authority" (*ibid*).

The fact that reference is made to the "agricultural ministry" in this extract is also quite significant in this context. During the Peoples Party-Freedom Party coalition from 2000, the agricultural and environmental ministries were fused to create the BMLFUW (Federal Ministry for Agriculture, Forestry, Environment and Water).

Agriculture is traditionally a very conservative milieu in Austria, with the Conservative (Peoples) Party being strong in rural- and the Social Democratic Party strong in urban areas. As a result, social democratic, but also other (i.e. Green Party – see e.g. Parliament of the Republic of Austria 2011: 257 and 270) interests have often referred to the respective minister (traditionally from the Peoples Party) as agricultural minister, particularly in relation to environmental concerns (which thus, it is implied, carry little weight). Concrete reference was also made to this in the course of the interview in question (Interview 2: 3). This traditional conflict between social democratic and conservative/agricultural interests has thus been translated to environmental issues as well. In terms of the question of contrarianism in this context, the representatives from the Chamber of Labour explicitly made reference to the fact that their position against the use of biomass and biogas in RE production, has often led to them being seen as “green electricity hinderers” (ibid: 13 & 18). The arguments employed by both the Chamber of Labour and the Social Democratic Party (referring to it as an “ideological issue”) in this regard, are that food stuffs should be used as food and not for energy production (ibid & Interview 8: 6). This is clearly in opposition to the position from the ministry, whose representative clearly stated that the debate is not a question of either or and that there is “still enough wheat to make bread” (Interview 1: 20), whereas the common line of argument from traditionally ‘left-wing’ organisations translates to the slogan “food on the plate, not in the tank” (Interview 2: 18).

Besides positions opposing resource dependent RE production, many other arguments are also voiced. A government representative interviewed made reference to arguments made by fossil based interests, trying to retain their place in the market, such as “power grid stability” which were deemed “rubbish” (Interview 1: 15). Industrial representatives present different positions again. On the one hand photovoltaic energy is referred to as “research” issue, not a “market penetration” issue, and that the support of photovoltaic energy in the context of the GE-Act is “Austro folklore” (Interview 5: 4). The strategy employed is clear – the seriousness of regulatory measures is questioned.

In terms of the port of call for interest representation, all relevant interview partners clearly referred to the ministries and not, for example, parliament as

their point of access. Clearly reluctant to use the word lobbying, a government representative interviewed made reference to the “communication-work, to avoid the word lobbying” (Interview 4: 6) engaged in by interest groups in advance of the legislative process. Both representatives from the federal states and the Federation of Industry also identified the ministries prior to parliamentary action as the time when interest representation is crucial (see Interview 5: 7 & Interview 7: 2). Another interview partner detailed this further, referring to the “many informal bodies” (Interview 2: 16) in the ministry where discussions are held prior to legislative initiative.

6 Interest Politics in Austria

In the cases of the development of the NAPs and the 2006 amendment of the GE-Act in Austria, it has been demonstrated that actors opposed to progressive climate change policy were successful in influencing the policy making process. One of the research questions posed in this thesis asks why these actors have been quite so successful. Clearly there is some merit in the explanation offered by Colin Crouch that “large corporations have frequently outgrown the governance capacity of individual nation states. If they do not like the regulatory of fiscal regime in one country, they threaten to move to another, and increasingly states compete in their willingness to offer them favourable conditions, as they need the investment.” (Couch 2004: 29). However only the threat, implicit or explicit, of geographical relocation is surely not a sufficient explanation for the influence which has been demonstrated in the framework of this thesis and which is clearly exercised in other areas as well, as many companies are, for example, dependent in some way or another on Austria as a production base (e.g. reputation of quality of production in Austria, qualification of workers, cost of relocation etc.). If, as it is assumed here and was also corroborated within the interviews conducted, relocation is a fairly insignificant threat in relation to environmental policy in general and climate change policy in particular (see for example Interview 1: 2 or Interview 2: 8) then clearly certain other strategies are proving more successful and the state is more responsive to certain strategies than others (see chapter 1.3). An attempt at an explanation why the Austrian state reacts more favourably to some interests than others is offered below.

Clearly one way in which influence over political parties and hence over the policy-making process is gained, is through party funding. Mayer (exploratory interview, see Annex I) discussed the example of the financing of political parties through interest representation organisations (i.e. by the Federation of Industry) and the influence this gives such organisations on decisions concerning party lists and the allocation of positions. These insights are corroborated by the analysis conducted by Sickinger (2009) who has written extensively on party financing in the Austrian political system.

However, these observations are surely not exclusive to the Austrian political system and can also be found in other countries as well. Somewhat more specific to Austria are the close-knit relationships between interest organisations and political parties, relationships which go far beyond mere financial cooperation. On the one hand, political parties but also ministries are dependent on expertise that can be found within companies and interest representation organisations. Expertise, however, when it comes from an interest organisation or company is never neutral (it could be argued that expertise is, per se never neutral, but that is another question). In fact, when interests are shrouded in the *supposed objectivity* or neutrality of ‘expert knowledge’ and not as the specific interests that they actually are, then they can be more easily integrated into the policy-making process (see chapter 4.2.1 for examples).

Furthermore, Mayer identified specific ingrained mechanisms, such as the education of up-and-coming young politicians in the various chambers or federations – politicians who then go on to exercise political posts – and the function of companies in providing positions in boards of directors and interest representation organisations providing employment for politicians at the end of their political career (insights which are corroborated by Karlhofer 1999 and Tálos 2008).

These particular (close) relationships and the rather inherent nature of interest representation organisations to the Austrian political system are historically contingent and can be explained in relation to the specific political developments in post World War II Austria. Before such an explanation is offered however, it is necessary to briefly outline the Austrian social partnership⁴⁰, the development of which will then be described in the historical analysis which follows.

⁴⁰ Years of study and volume upon volume of academic literature have been devoted to the social partnership in Austria. As such, it is necessary to point out that the following analysis is very brief and superficial and is used to explain the empirical observations. It is not comprehensive nor is it meant to be. The analysis is however, based upon the writings of Emmerich Tálos, a scholar who has devoted much of his time to the study of interest politics in Austria, and as such is well informed.

6.1 Social Partnership

Four of the major interest representation organisations in Austria form a part of what is called the social partnership: Chamber of Agriculture, Chamber of Labour, Chamber of Commerce and the Federation of Trade Unions. The social partnership is defined as “the pattern of interest representation and interest politics in Austria, between the umbrella organisations of the employers and the employees interest representation organisations, the government and the governmental ministries” (Tálos 2008: 10, translation from German original). Although the specific construction of the social partnership does not include the Federation of Industry (a more recent, but very powerful addition to the interest representation landscape in Austria), this organisation has, in many areas, enjoyed similar privileges (see *ibid*: 55). The pattern of decision-making within the framework of the social partnership is characterized by the privileged formal and informal involvement of these umbrella organisations in policy making and implementation on the one hand and on the level of coordination of divergent interests between the organisations on the other (see *ibid*: 10). A good example of such coordination can be found in the common position of the ‘alliance of payers’ (which included three of the four social partnership interest organisations and the Federation of Industry) during the 2006 amendment of the GE-Act (see chapter 5.2.1). Even if it cannot be described as completely unique, the social partnership in Austria is a very particular occurrence of corporatism, distinguished by its political weight and long-term stability (see *ibid*: 7).

The power of interest representation organisations in Austria that is quite evident in the interdependence with political parties, parliament and government (described below), is compounded by the high level of both concentration and centralization within the respective organisational structures. In Austria, membership to either the Chamber of Labour as worker or employee or to the Chamber of Commerce as a company is compulsory and subject to a fee (see *ibid*: 37). As such, these organisations possess considerable weight both financially and in terms of sheer numbers of members represented.

The power of the Federation of Trade Unions comes from centralization. The individual trade unions in Austria do not possess individual legal personality and are dependent upon the Federation for financial support. Consequentially both financial and representational power is in the hands of the federation, quite apart from the considerable total membership it enjoys (see *ibid*: 38f).

When compared internationally, the power of the various umbrella organisations in Austria is quite unique. In this context Lehmbuch has noted that if one were to measure representational monopoly by the lack of interest organisations competing against one another, then Austria would undoubtedly be the world leader (1985: 99 cit. in Tálos 2008: 40).

Another source of considerable influence for the social partnership (and the Federation of Industry) is the Austrian Institute of Economic Research (WIFO). Two thirds of the institute's funding comes from the social partners and the government, the other third coming from paid research (Karlhofer 2007: 394). The head of the board is traditionally the president of the Chamber of Commerce (ibid: 395). One of the public service roles the WIFO plays is through macro-economic forecasts, which are often presented alongside those of the Institute for Advanced Studies and the Austrian Central Bank. As such, the public perception (this is an assumption based upon experience and a knowledge of Austrian politics, economics and media, not corroborated by any data) of the WIFO is one of an independent expert. The WIFO itself states self-referentially: "WIFO operates on a non-profit basis and its scientific work is carried out independent of politics and business."⁴¹

The results of the study referred to in chapter 4.2.1 and other studies conducted over the past few years (see WIFO 2007, a study on total Austrian renewable energy capacity and WIFO 2011⁴², a study on the Austrian contribution to the EU capacity to reach a unilateral 30% emissions reductions target, the latter of which stood in contradiction to a study conducted by the European Commission 2011) have however, always supported the argument or interest of the ordering party (Austrian interest organisations).

The supposed (and self-proclaimed) independent expertise of the WIFO and the high standing it enjoys in Austria give it an image of both impartiality and respect, which in turn add weight to the results it publishes, results often in line with the (commissioned) interest of social partnership and related actors.

⁴¹ <http://www.wifo.ac.at/www/jsp/index.jsp?&fid=23910> (Accessed 21.04.2012)

⁴² As NEWS magazine ironically noted, the WIFO study from 2011 "just so happened" to underpin the position of the ordering. (See <http://www.news.at/articles/1115/11/294102/heimischer-zank-eu-klimaziele-wifo-studie-zufaellig-auftraggeber> accessed: 13.04.2011)

6.2 Historical Development of Interest Politics in Austria

What is quite unique to the Austrian political landscape is the post WW II reconstruction period and the particular cross-party, cross-interest effort at cooperation (cooperation made all the stronger by the will to move away from the fascist/Nazi elements particularly present in Austria in the 1930s and 1940s) which characterized this time, a time when a great majority of actors were working toward shared goals such as reconstruction, consolidating the economy, increasing production etc. (see Tálos 2008: 18).

The consequence of this strong cooperation is that decisions are often taken, not on the basis of majorities, but on the basis of consensus. Furthermore, this has led to a tight, reciprocal permeation of Austrian state administration and bureaucracy and the major interest representation organisations (see *ibid*: 10).

The development of the social partnership – as a multi-dimensional pattern of cooperation and accordance – which began in the years immediately following WW II, was completed in the 1960s where it had reached a standing in Austrian politics which would influence interest politics for decades to come (see *ibid*: 31) – and still does so today. Instrumental in these final developments toward the full institutionalization of the social partnership and symptomatic for the time which followed, were increasing conflicts in the government coalition. These conflicts led to an increase in de-facto out-sourcing of decision-making to the interest representation organisations (*ibid*).

Although corporatist politics in Austria began in the context of negotiations on prices and wages, the institutionalisation of such decision-making grew considerably in the decades that followed. For the time period 1971 - 1987, a study showed that the interest organisations from the social partnership were represented in 223 advisory councils, commissions, committees, conferences, forums and working groups together with government and administrative public officials. This privileged embedding of the social partnership organisations has, on the whole, also been extended to the Federation of Industry (see *ibid*: 54f).

Besides being institutionalized in the political process in the form of various different organisations as described above, the interdependence of interest representation organisations and the two major political parties (and as such parliament and government) goes considerably further. A good example of this is the fact that up until the 1980s, the presidents of the four social partnership interest organisations were also members of parliament. What is demonstrated

illustratively for the leadership of these organisations is valid throughout the organisational hierarchy. During the 1970s, over 50% of officials from these organisations had some – full- or part-time – function in the Austrian parliament (see *ibid*: 43). Ferdinand Karlhofer has gone so far as to say that the interweaving of interest organisation and party functions is a “component part of a historically developed political career model” (Karlhofer 1999: 31 cit. in Tálos 2008: 44). This corresponds to the insights offered by Mayer in the exploratory interview conducted and mentioned at the beginning of this chapter.

It seems important to note, particularly as the above is a historical and not a current analysis, that recent developments have seen changes to corporatism in Austria but this does not seem to have led to significant changes in either the power or influence of the interest organisations from the social partnership.

On the one hand, Austria became a member of the European Union in 1995. As such much policy making has been transferred to Brussels and accordingly, the large interest representation organisations have also opened EU offices. Although this does mean a loss of terrain nationally, with many issues being decided on the European level, there are still several means of influencing the political process. As has been demonstrated in this thesis, the decisions which are still taken on a national level are subject to considerable ‘outside’ influence. With regard to decisions on the European level, the respective organisations have turned to influencing EU institutions directly or as part of European interest organisations or using existing contacts to individual politicians and ministries to influence the Austrian national position, which in turn has (some) influence on the European decision taken (see Tálos 2008: 92ff).

Another more recent development was the election and subsequent two terms in government of the Austrian Freedom Party (FPÖ) (2000 - 2006, the first of which was cut short). Not being a part of the tight-knit system of ÖVP, SPÖ and the social partnership organisations, the FPÖ was quite keen on and successful in eroding the pattern of consensus politics in the framework of the social partnership, although this has again (at least in part) been reversed since the comeback of the SPÖ - ÖVP coalition (since 2006) (see *ibid*: 96). Even if these developments effected long-term changes in the pattern of decision-making, the influence of the individual organisations seems to have remained in place.

6.3 Consequences for Climate Policy

Whilst the social partnership organisations were in conflict with one another – i.e. employers and employees organisations on social policy, or fiscal issues (this being the dominant corporatist pattern) – the social partnership often served in bringing about a compromise and a win-win situation. In the context of environmental policy, more specifically climate policy, these organisations often have the same interests (with the exception of the Chamber of Agriculture) – i.e. avoiding progressive policies as these tend to incur more short term costs for the members of the respective organisations – and as such the balanced mechanism of conflict resolution becomes an unbalanced forceful collection of interests trying to scale down ambition on climate and energy issues.

This is particularly evident in Austria in the case of renewable energy, which may well also be connected to the fact that energy issues are dealt with by the Ministry of Commerce. As Tálos and Kittel have noted, “the involvement of the organisations in commercial/economic legislative processes is characterized that they, as privileged organisation have considerable influence on the subsequent law” (2001: 87). When the organisations work together, rather than opposing one another, as was the case with the 2006 GE-Act amendment, then their position is the one that is reflected in the decision-making process.

Other issues which have negative consequences for climate policy are the larger, ‘strategic’ goals upon which the organisations of the social partnership concur, indeed where these organisations have often found common ground. On the macro-economic front, the social partnership organisations in Austria have found a consensus in pursuing “economic growth, security of employment, stabilization of purchasing power and securing competitiveness” for the economy as a whole, whilst simultaneously pushing their respective agendas (ibid: 42). The same can be also said for the dominant (party) political forces in the Austrian landscape, the SPÖ and ÖVP. Although pursuing opposing agendas on important issues of economic and social equality, these conflicts took and take place within the framework of a dominant, shared paradigm of growth and competition. Such a shared conception clearly has negative consequences for climate change issues as such policy incurs costs on economic actors, costs which are rejected on precisely these grounds: such costs hamper economic growth, endanger employment and lower the international competitiveness of Austrian companies (carbon leakage arguments).

Going back to the question posed - how the influence of the actors in question can be explained - and the theoretical underpinnings of this thesis in light of the influence which has been demonstrated and the analysis on the social partnership (above) then the contention voiced by Offe, Jessop and others and succinctly summarized by Wissen (see chapter 1.3), that the chances to “gain access to, and successfully articulate interests in” the terrain which is the (Austrian) state “are very unequally distributed” (2011: 243) seems more than justified. Not only is the access to the state terrain very unequal as a result of the embedded nature of the major interest organisations to the development and identity of the post WW II Austrian state, but the question of which issues end up on the agenda is also severely restricted.

The 2006 amendment of the GE-Act is a very good example for unequal and highly restricted access to the state terrain. Despite considerable opposition from the Austrian Federal States (powerful actors themselves), the ‘alliance of payers’ was successful in getting practically all their demands into the final legal text. In light of the above, there are good, plausible reasons for this. On the one hand, the argumentation employed by the organisations fits with the shared conception and dominant paradigm established in Austria over the past decades. On the other hand, the fact that many of the major forces in Austrian politics – forces that generally form part of a delicate balance of power – were united on one side of the debate had the effect that no alternative perspective had any chance of being realized.

Viewed in this light, the question of which method was to be adopted to determine the allocation of emissions certificates in the NAPs can also be seen differently. Although there were several different methods of allocation available and actors within the Ministry responsible for the relevant legislation (amongst others) were in favour of lower levels of allocation, the method of trend-allocation (which resulted in over-allocation) preferred by industry was selected. Accordingly the instrument of emissions trading has never worked in Austria, as on the whole there have always been more certificates allocated than actual emissions. As such, companies have not been put under any economic pressure to reform their energy use (the aim of the instrument) but have rather been receiving subsidies in the form of surplus certificates.

Again here, access to the state terrain is very unequal. On the one hand the question of allocation is of such a technical nature, that few actors are actually able to participate (demonstrated in the lack of NGO involvement in the issue, see chapter 4.2.1). On the other hand the actors who are directly or indirectly affected by the policies in question sit in the technical working groups where the policies are actually designed. As such, interests are voiced as expert knowledge, and interest driven policy dons the mask of evidence-based policy. The problem, as has been stated above, is when the balance of forces generally inherent to the social partnership is missing in such a constellation, as is the case here, then the possibility to articulate positions other than the dominant one become extremely limited and are almost bound to fail.

7 Conclusion

In the course of this thesis, an attempt has been made to give an overview of the actors and the conflicts involved in Austrian climate policy. Two of the four pillars of the European climate and energy package were analysed on the level of Austrian national level implementation. The choice of actors analysed was based upon insights in the exploratory interview phase during which interest groups were clearly identified as the primary (non governmental) players in Austrian climate policy. The choice of actors was corroborated in the expert interviews, which were conducted concurrently to the primary document analysis.

On the whole, conflicts centred on the distribution of costs of climate policy measures. In the context of emissions trading, these conflicts were related to the question of the method of allocation and the Business as Usual scenario that was developed as a result. The conflicts were carried out between ETS installations and their interest representatives on the one side and the Ministry of Environment (and others) on the other.

The issue of renewable energy is considerably broader and as such, many more actors such as Austrian federal states but also NGOs (who were less involved in the emissions trading issue due to its highly complex and technical nature), renewable energy producers and interest groups and also other political parties (involved due to the two-thirds majority required in parliament for energy legislation) were involved. Again, conflicts centred on the distribution of costs with business and consumer interest groups lobbying for restricted levels of renewable energy support (as their clientele carry the costs) and NGOs, renewable energy interest groups and opposition parties lobbying for higher subsidies. However, conflicts went beyond mere questions of cost and encompassed issues such as the type of renewable energy to be supported. In this context, classical social-democratic - conservative divides became apparent, with 'left-wing' actors arguing that support for installations based upon biomass actually function as hidden subsidies for agricultural actors, the traditional clientele of the right. This divide was also broken up somewhat, with industrial interest representatives, typically on the conservative side of the political spectrum, embracing the arguments against biomass based installations as a means of lobbying against renewable energy.

It has been demonstrated that the channels of influence employed by the actors involved range from the formal, institutionalized methods – as was the case in determining the means of allocation for emissions trading – but also the more informal means – as was evident when it came to determining the actual volume of emissions to be allocated, where direct lobbying was employed (i.a. in the form of industry leaders telephoning the federal chancellor) and pressure applied. Different approaches were also observable in the case of renewable energy, with the alliance of payers actually preparing legal texts (the job of the ministry) on the informal side or the Green Party bargaining in parliament, for improved support measures to be included in the legislation on the formal side.

In terms of the argumentation employed, it was made quite clear in chapter 2 that typical arguments calling the science of climate change into question, as are voiced in the Anglo-American world, are not very common in Austria. As such, the analysis looked at the broader context of such argumentation and it was argued that these positions often have a different, underlying intention of sustaining the neo-liberal capitalist economy of which fossil fuel based production and consumption are an integral part. The aim is to uphold such patterns and keep alternatives to a minimum. The intended outcome of such positions is to spread the idea that there is no need for regulations. Accordingly, so it is argued, it does not actually matter whether arguments call the science of climate change into question, or question and try to undermine policy measures, if the aim is to keep regulations to a minimum, or off the agenda entirely, then the arguments are climate sceptical – or contrarian – in nature regardless of which form they take.

Arguments questioning climate policy were found in varying forms in the policy-making processes investigated. In the development of the national allocation plans, the argumentation identified did not so much question the policy as such, but argued for generous allocation, with the result that the effectiveness of the policy interventions were entirely undermined. Here the arguments focused on issues such as growth and the damage to competitiveness of Austrian companies (essentially carbon leakage arguments, classified by Tim Nuthall as contrarian, see Chapter 2). In the context of renewable energy, specifically the 2006 GE-Act amendment, arguments for a decrease in support for renewables were based on the supposed consequences of such measures, which were

identified as decreasing investment, relocation of production, damage to competition and negative impacts on employment. Other arguments in terms of renewable energy, not attached to concrete policy measures as such, used the strategy of calling renewable energy technologies into question, i.e. describing photovoltaic, used on a global scale today, as an R & D rather than a market technology.

Furthermore it has been demonstrated that actors employing such argumentation have been successful in influencing the policy making process. In the case of emissions trading this is clearly visible in terms of fairly constant over-allocation. The influence of the actors in question on the legal framework was also corroborated in the interviews conducted. The influence of actors employing contrarian arguments in renewable energy legislation is considerably clearer and also wholly evident in terms of actual renewables production (i.e. in the fact that no wind turbine was built in Austria for over three years following the 2006 amendment and subsequent tariff adjustments).

An attempt to explain why these actors have been successful with their agenda, despite multilateral, internationally, binding climate mitigation agreements and targets inscribed in European law was also made. Here the analysis focused on interest politics in Austria, the historically contingent nature of the power of interest groups and the resulting advantage in gaining access to the state and setting the agenda for such actors.

In more recent developments, attempts to influence policy on the national level have been less successful. In terms of renewable energy, there seem to be a number of reasons for this. On the one hand, there is the simple fact that Austria is legally bound to reaching specific targets in the framework of the climate and energy package on the European level. On the other hand, the specific political and temporal constellation – the need on the part of the coalition government for Green Party votes to reach a majority and the window of opportunity created by events in Japan and the subsequent German (planned) withdrawal from nuclear energy – clearly played an important role.

With emissions trading, actors on the national level are now confronted with the simple fact that policy-making has been relocated to the European level. In light of over-allocation in many countries in the first two trading periods, the decision

was made to centralise allocation on the European level. As such, attempts to influence policy making – clearly successful as post 2012 trading has already been watered down with benchmarking (meaning that many companies will continue to receive free certificates) – are now focused in Brussels. Only the future will tell how effective either the attempts to shape such policy to favour industry and power generation or the attempts to genuinely reduce EU emissions on a comprehensive scale have been successful.

This research – having shown the influence of actors employing contrarian argumentation in the broad sense of the concept (defined in chapter 2) in influencing policy making in Austria – could be complemented by research in other (EU) countries and on the European level to determine whether similar patterns are occurring.

Broadening the concept of climate scepticism to include more subtle, policy-orientated arguments has clearly added to its benefit as an analytical category and contributed to the value-added of this research as a whole.

8 References

8.1 Primary Sources

Biomass Association (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_43/imfname_221000.pdf
(Accessed 06.02.2012)

Chamber of Agriculture (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_35/imfname_217845.pdf
(Accessed 06.02.2012)

Chamber of Commerce, Sector for Gas and Heating Companies (2011): Comment on EC-Act amendment 2011. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00278_08/imfname_221002.pdf
(Accessed 06.02.2012)

Chamber of Labour (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_20/imfname_217434.pdf
(Accessed 06.02.2012)

Compost Partnership (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_41/imfname_218119.pdf
(Accessed 06.02.2012)

European Commission (1997): Energy for the Future: Renewable Sources of Energy. White Paper. COM(97)599.

European Commission (2007): Commission Decision of 2 April 2007 concerning the national allocation plan for the allocation of greenhouse gas emission allowances notified by Austria in accordance with Directive 2003/87/EC of the European Parliament and of the Council.

European Commission (2011): State aid: Commission prohibits Austrian subsidies for energy intensive businesses. Press release, March 8th. Published Online:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/265&format=PDF&age=d=1&language=EN&guiLanguage=en> (Accessed 27.06.2011)

European Commission (2011): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee of the Regions. A Roadmap for moving to a competitive low carbon economy in 2050. COM(2011)112.

European Council (2002): Council Decision of 25 April 2002 concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments there under. ABI L 130/1.

European Union (1996): Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity. ABI L 27/20

European Union (2001): Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market. ABI L 283/33.

European Union (2003): Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading. ABI L 275/32.

European Union (2009a): Decision 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020. ABI L 140/136.

European Union (2009b): Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC. ABI L 140/16

European Union (2009c): Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community. ABI L 140/63.

European Union (2009d): Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006. ABI L 140/114.

Federal Environment Agency (2009): Klimaschutzbericht 2009. Published online: <http://www.umweltbundesamt.at/fileadmin/site/publikationen/REP0226.pdf> (Accessed: 20.02.2012).

Federal Environment Agency (2011): Klimaschutzbericht 2010. Published online: <http://www.umweltbundesamt.at/fileadmin/site/publikationen/REP0267.pdf> (Accessed: 20.02.2012).

Federal Environment Agency (2012): Klimaschutzbericht 2011. Published online: <http://www.umweltbundesamt.at/fileadmin/site/publikationen/REP0334.pdf> (Accessed: 20.02.2012).

Federal Government of Austria (2004): Regierungsvorlage. Bundesgesetz, mit dem das Ökostromgesetz, das Elektrizitätswirtschafts- und -organisationsgesetz und das Energie-Regulierungsbehördengesetz geändert werden. Published online: http://www.parlament.gv.at/PAKT/VHG/XXII/I/I_00655/fname_028497.pdf (Accessed: 20.06.2011)

Federal Government of Austria (2011): Regierungsvorlage. Bundesgesetz über die Förderung der Elektrizitätserzeugung aus erneuerbaren Energieträgern Ökostromgesetz 2012 – ÖSG 2012) Published online: http://www.parlament.gv.at/PAKT/VHG/XXIV/I/I_01223/fname_222923.pdf (Accessed: 20.06.2011)

Federal Government of Austria (2011): Regierungsvorlage. Bundesgesetz über ein System für den Handel mit Treibhausgasemissionszertifikaten (Emissionszertifikatengesetz 2011 – EZG 2011). Published online: http://www.parlament.gv.at/PAKT/VHG/XXIV/I/I_01393/fname_229628.pdf (Accessed: 20.02.2012).

Federal Ministry of Agriculture, Forestry, Environment and Water (2007): Nationaler Zuteilungsplan für Österreich gemäß § 11 Emissionszertifikategesetz für die Periode 2008-2012. Zur Übermittlung an die Europäische Kommission im Einklang mit Art. 9 der Richtlinie 2003/87/EG. Published online:
http://ec.europa.eu/clima/policies/ets/allocation/2008/docs/nap_austria_final_en.pdf
(Accessed: 10.10.2012)

Federal Ministry of Agriculture, Forestry, Environment and Water (2007): Nationaler Zuteilungsplan für Österreich gemäß § 11 Emissionszertifikategesetz für die Periode 2008-2012, im Einklang mit Art. 9 der Richtlinie 2003/87/EG sowie der Entscheidung der Europäischen Kommission vom 2. April 2007. Published online:
http://www.emissionshandelsregister.at/static/cms/sites/emissionshandelsregister.at/media/download_center/unternehmen/Nationaler_Allokationsplan_2008-2012.pdf
(Accessed: 10.10.2012)

Federal Ministry of Agriculture, Forestry, Environment and Water (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_23/imfname_217446.pdf
(Accessed 06.02.2012)

Federal Ministry of Agriculture, Forestry, Environment and Water (2011):
Minsiterialentwurf: Bundesgesetz über ein System für den Handel mit
Treibhausgasemissionszertifikaten (Emissionszertifikategesetz 2011 – EZG 2011).
Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00278/fname_215162.pdf
(Accessed: 10.12.2011)

Federal Ministry of Commerce, Family and Youth (2004): Ökostromgesetz: Entwurf einer Novelle 2004. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXII/ME/ME_00184/fname_025941.pdf
(Accessed: 20.06.2011)

Federal Ministry of Commerce, Family and Youth (2011): Comment on EC-Act amendment 2011. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00278_21/imfname_221239.pdf
(Accessed 06.02.2012)

Federal Ministry of Commerce, Family and Youth (2011): Ministerialentwurf:
Bundesgesetz über die Förderung der Elektrizitätserzeugung aus erneuerbaren
Energieträgern (Ökostromgesetz 2012 – ÖSG 2012). Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270/imfname_211103.pdf
(Accessed: 20.06.2011)

Federal Republic of Austria (1998): Elektrizitätswirtschafts- und -organisationsgesetz – EIWOG, Erlassung des Bundesverfassungsgesetzes, mit dem die Eigentumsverhältnisse an den Unternehmen der österreichischen Elektrizitätswirtschaft geregelt werden und Änderungen des Kartellgesetzes 1988 und des Preisgesetzes 1992. BGBl I 193/1998

Federal Republic of Austria (2002a): Ökostromgesetz. BGBl I Nr. 149/2002

Federal Republic of Austria (2002b): Verordnung: Festsetzung der Preise für die Abnahme elektrischer Energie aus Ökostromanlagen. BGBl II Nr. 4149

Federal Republic of Austria (2006a): Ökostromgesetznovelle 2006. BGBl I Nr. 105/2006.

Federal Republic of Austria (2006b): Ökostromverordnung 2006. BGBl II. 401. Verordnung.

Federal Republic of Austria (2008): 2. Ökostromgesetz-Novelle 2008. BGBl I Nr. 114/2008.

Federal Republic of Austria (2009): Ökostromverordnung 2009. BGBl II. 53. Verordnung.

Federal Republic of Austria (2010): Ökostromverordnung 2010. BGBl II. 42. Verordnung.

Federal Republic of Austria (2011): Ökostromgesetz 2012. BGBl I Nr. 11/2012.

Federal State of Burgenland (2004): Comment on GE-Act Amendment 2006. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXII/ME/ME_00184_18/fname_029291.pdf
(Accessed: 20.06.2011)

Federal State of Burgenland (2011): Comment on EC-Act amendment 2011. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00278_15/imfname_221165.pdf
(Accessed 06.02.2012)

Federal State of Carinthia (2011): Comment on GE-Act 2012. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_01/imfname_214536.pdf
(Accessed 06.02.2012)

Federal State of Lower Austria (2004): Comment on GE-Act Amendment 2006.

Published online:

http://www.parlament.gv.at/PAKT/VHG/XXII/ME/ME_00184_09/imfname_027184.pdf
(Accessed: 20.06.2011)

Federal State of Lower Austria (2011): Comment on GE-Act 2012. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_10/imfname_217378.pdf
(Accessed 06.02.2012)

Federal State of Tyrol (2011): Comment on GE-Act 2012. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_37/imfname_217862.pdf
(Accessed 06.02.2012)

Federal State of Styria (2011): Comment on GE-Act 2012. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_04/imfname_216796.pdf
(Accessed 06.02.2012)

Federation of Industry (2011): Comment on EC-Act amendment 2011. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00278_25/imfname_221308.pdf
(Accessed 06.02.2012)

Federation of Trade Unions (2011): on GE-Act 2012. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_38/imfname_218074.pdf
(Accessed 06.02.2012)

Federation of Trade Unions, European Office (2008): EU News. 04. December 2008.

Friends of the Earth Austria (2011): Comment on GE-Act 2012. Published online:

http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_07/imfname_216804.pdf
(Accessed 06.02.2012)

Green Party (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_16/imfname_217433.pdf
(Accessed 06.02.2012)

Parliament of the Republic of Austria (2011): Stenographic Protocol. 19th October 2011.
Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/NRSITZ/NRSITZ_00124/fname_236617.pdf
(Accessed: 10.11.2011)

Union of Wind Energy (2011): Comment on GE-Act 2012. Published online:
http://www.parlament.gv.at/PAKT/VHG/XXIV/ME/ME_00270_05/imfname_216795.pdf
(Accessed 06.02.2012)

United Nations (1997): Kyoto Protocol. New York: UN Sekretariat.

WIFO & KWI (2003): EU Emissionshandel – Auswirkungen auf den Wirtschaftsstandort Österreich. Effekte möglicher Allokationsmechanismen auf drei Branchen. Published online: <http://www.oekomangement-club.at/newsletter3/Studie%20WIFO%20u%20KWI.pdf> (Accessed: 20.02.2012)

WIFO (2007): Assessment of Austrian contribution toward EU 2020 Target Sharing. Determining reduction targets for 2020 based on potentials for energy efficiency and renewables. Vienna.

WIFO (2011): Analysis of Options to Move Beyond 20 Percent Greenhouse Gas Emission Reductions. Policy Brief addressing the EC Communication on More Ambitious Greenhouse Gas Reductions. Published online:
[http://www.wifo.ac.at/www/downloadController/displayDbDoc.htm?item=S_2011_GREE_NHOUSEGASEMISSIONS_POLICYBRIEF_41609\\$.PDF](http://www.wifo.ac.at/www/downloadController/displayDbDoc.htm?item=S_2011_GREE_NHOUSEGASEMISSIONS_POLICYBRIEF_41609$.PDF) (Accessed: 10.11.2011)

Windsperger, Andreas et. al. (2004): Grundlagenstudie für den Nationalen Zuteilungsplan im Rahmen der Emissionshandels-Richtlinie. Article published online: http://www.indoek.at/downloads/EMTRUM_bch_ArtikelfurHandbuch.pdf (Accessed: 20.02.2012)

8.2 Secondary Sources

Arts, Bas (1998): The political influence of global NGO's. Case studies on the climate and biodiversity conventions. Utrecht: International Books.

Austrian Wind Energy Association (s.a.): Hintergrund Zählpunktpauschale. Published online: <http://www.igwindkraft.at/redsystem/mmedia/2007.02.26/1172453158.pdf>
(Accessed: 19.03.2012)

Bernard, Russel & Ryan, Gery (2010): Analyzing qualitative data. Systematic approaches. London: Sage.

Boykoff, Maxwell & Boykoff, Jules (2004): Balance as Bias: global warming and the US prestige press. *Global Environmental Change* 14:2. 125 - 136

Brunnengräber, Achim (2011): Protocol of the discussion in the German Bundestag, 'Strategien der sog. Klimaskeptiker und wer dahinter steht'. Not published.

Buchner, Barbara et. al. (2006): The Allocation of European Union Allowances: Lessons, Unifying Themes and General Principles. *MIT Joint Program on the Science and Policy of Global Change*. No. 140, October 2006. Cambridge, MA.

Crouch, Colin (2004): Post-Democracy. Cambridge: Polity Press.

Dryzek, John, Norgaard, Richard & Schlosberg, David (eds.) (2011): The Oxford Handbook of Climate Change and Society. Oxford: OUP.

Dunlap, Riley & McCright, Aaron (2011): Organized Climate Change Denial in Dryzek, John, Norgaard, Richard & Schlosberg, David (eds.) (2011): The Oxford Handbook of Climate Change and Society. Oxford: OUP. 144-160.

E-Control (2011): Ökostrombericht 2011. Published online: http://www.e-control.at/portal/page/portal/medienbibliothek/oeko-energie/dokumente/pdfs/eca_oekostrombericht%202011.pdf (Accessed: 08.02.2012)

Erhart, Marlene (2010): Wie Gesetze entstehen. Wer macht das Gesetz, und wie funktioniert das? Wien: Holzhausen

European Environment Agency (2008): Application of the Emissions Trading Directive by EU Member States — reporting year 2008. *EEA Technical Report*. No. 13/2008. Copenhagen.

Garz, Detlef and Kraimer, Klaus (Ed.) (1991): Qualitativ-empirische Sozialforschung: Konzepte, Methoden, Analysen. Opladen: Westdeutscher Verlag.

Geden, Oliver & Fischer, Severin (2008): Die Energie- und Klimapolitik der Europäischen Union. Bestandaufnahme und Perspektiven. Baden-Baden: Nomos.

Gelbspan, Ross (1997): The Heat is on. The high stakes battle over earth's threatened climate. Reading, MA: Addison-Wesley.

Hackl, Albert (2001): Die österreichischen Reduktionsziele für Treibhausgas-Emissionen von Toronto bis Kyoto. *Wissenschaft & Umwelt* 4. 19 - 26

Hauer, Andreas (2006): Die Ökostromgesetz-Novelle 2006 – eine erste Analyse. Published online: <http://www.energieinstitut-linz.at/index.php?menuid=58&downloadid=424&reporeid=155> (Accessed: 27.06.2011)

Hoggon, James (2009): Climate Cover-Up. Vancouver: Greystone.

Howes, Tom (2010): The EU's New Renewable Energy Directive (Directive 2009/28/EC) in Oberthür, Sebastian et. al. (2010): The New Climate Policies of the European Union. Internal Legislation and Climate Diplomacy. Brussels: VUB Press.

Hyll, Walter, Köppl, Angela & Schleicher, Stefan (2004): Umsetzung der EU-Emissionshandelsrichtlinie. WIFO Monthly Report 4/2004. Published online: [http://www.wifo.ac.at/www/downloadController/displayDbDoc.htm?item=MB_2004_04_03_EMISSIONSHANDELSRICHTLINIE\\$.PDF](http://www.wifo.ac.at/www/downloadController/displayDbDoc.htm?item=MB_2004_04_03_EMISSIONSHANDELSRICHTLINIE$.PDF) (Accessed 25.07.2011)

Jacques, Peter, Dunlap, Riley & Freeman, Mark (2008): The organisation of denial: Conservative think-tanks and environmental scepticism. *Environmental Politics* 17:3. 349-385

- Jessop, Bob (1999): The Strategic Selectivity of the State: Reflections on a Theme of Poulantzas. *Journal of the Hellenic Diaspora*. 25:1, 41-77
- Kahl, Wolfgang (2009): Energie und Klimaschutz – Kompetenzen und Handlungsfelder der EU, in Schulze-Fielitz, Helmuth & Müller, Thorsten (Hg): Europäisches Klimaschutzrecht. Baden-Baden: Nomos. 21–70
- Karlhofer, Ferdinand (1999): Verbände: Organisation, Mitgliederintegration, Regierbarkeit in Karlhofer, Ferdinand & Tálos, Emmerich (Ed) (1999): Zukunft der Sozialpartnerschaft. Wien: Signum. 15 - 46
- Karlhofer, Ferdinand & Tálos, Emmerich (Ed) (1999): Zukunft der Sozialpartnerschaft. Wien: Signum.
- Karlhofer, Ferdinand (2007): Filling the Gap? Korporatismus und neue Akteure in der Politikgestaltung. *Österreichische Zeitschrift für Politikwissenschaft* 36:4. 389 - 403
- Kelly, Duncan (1999): The Strategic-Relational View of the State. *Politics*. 19:2, 109-115
- Lehmbruch, Gerhard (1985): Sozialpartnerschaft in der vergleichenden Politikforschung, in Gerlich, Peter et. al. (Ed): Sozialpartnerschaft in der Krise. Wien: Boehlau. 85 – 107
- Lewis, Mark (2012): The Outlook for Carbon Pricing in the EU. Presentation given at the Austrian JI/CDM Program Conference, February 3rd 2012. Available online: <http://www.ji-cdm-austria.at/blueline/upload/marcclewisaustrianjicdmws2012.pdf> (Accessed 20.03.2012)
- Mayring, Philipp (2010): Qualitative Inhaltsanalyse. Grundlagen und Techniken. Weinheim: Beltz.
- Meuser, Michael (1989): Gleichstellung auf dem Prüfstand. Frauenförderung in der Verwaltungspraxis. Pfaffenweiler: Centaurus.
- Meuser, Michael & Nagel, Ulrike (1991): ExpertInneninterviews – vielfach erprobt, wenig bedacht. Ein Beitrag zur qualitativen Methodendiskussion, in Garz, Detlef & Kraimer, Klaus (Ed.): Qualitativ-empirische Sozialforschung: Konzepte, Methoden, Analysen. Opladen: Westdeutscher Verlag. 441-471
- Offe, Claus (1980): Strukturprobleme des kapitalistischen Staates. Frankfurt am Main: Surkamp.
- Oreskes, Naomi & Conway, Erik (2010): Merchants of Doubt. How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming. New York: Bloomsbury.
- Oreskes, Naomi (2004): Beyond the Ivory Tower. The Scientific Consensus on Climate Change. *Science* 306, 3 December 2004. 1686
- Philibert, Cédric (2011): Interactions of Policies for Renewable Energy and Climate. *IEA Working Paper*. Paris: OECD/IEA.
- Plehwe, Dieter & Walpen, Bernhard (2006): Between network and complex organization. The making of neoliberal knowledge and hegemony in Plehwe, Dieter, Walpen, Bernhard & Neunhöffer, Gisela (2006): Neoliberal Hegemony. A Global Critique. Oxon: Routledge. 27-50

Plehwe, Dieter, Walpen, Bernhard & Neunhöffer, Gisela (eds.) (2006): *Neoliberal Hegemony. A Global Critique*. Oxon: Routledge.

Plehwe, Dieter & Müller, Ulrich (2008): Nicht Öffentlichkeitsfähig. Wissenschaft als Lobby-Instrument. *Forum Wissenschaft*. 2/2008.

Schulze-Fielitz, Helmuth & Müller, Thorsten (Hg) (2009): *Europäisches Klimaschutzrecht*. Baden-Baden: Nomos.

Rahmstorf, Stefan (2011): Fact Sheet zum Klimawandel. Published online: http://www.pik-potsdam.de/~stefan/Publications/Other/klimawandel_fact_sheet.pdf (Accessed: 10.11.2011)

REN21 (2011): *Renewables 2011 Global Status Report*. Paris: REN21 Secretariat.

Rowlands, Ian (2005): The European directive on renewable energy: conflicts and compromises. *Energy Policy* 33:8. 965 - 974

Seifer, Kathrin (2009): *Governance als Einfluss System. Der politische Einfluss von NGO's in asymmetrisch strukturierten Interaktionsarrangements*. Wiesbaden: VS-Verlag.

Skaereth, Jon Birger & Wettestad, Jorgen (2010): *The EU Emissions Trading System Revised (Directive 2009/29/EC)* in Oberthür, Sebastian et. al. (2010): *The New Climate Policies of the European Union. Internal Legislation and Climate Diplomacy*. Brussels: VUB Press.

Tálos, Emmerich & Kittel, Bernhard (2001): *Gesetzgebung in Österreich*. Wien: WUV

Wissen, Markus (2011): *Gesellschaftliche Naturverhältnisse in der Internationalisierung des Staates. Konflikte um die Räumlichkeit staatlicher Politik und die Kontrolle natürlicher Ressourcen*. Münster: Westfälisches Dampfboot.

8.4 Web Links

Carter, Robert (2012): Bibliography. Published online: http://members.iinet.net.au/~glrmc/new_page_4.htm (Accessed: 12.02.2012)

Chamber of Commerce (2006): *Ökostromgesetz – Novelle*. Powerpoint Presentation, available online: http://portal.wko.at/wk/dok_detail_file.wk?AngID=1&DocID=557435&StlID=268741 (Accessed: 05.08.2011)

Chamber of Labour, Chamber of Commerce, Federation of Industry & Federation of Trade Unions (2004): *Punktation einer Ökostromnovelle*, in Glawischnig, Eva (2004): *Grüne zu Geheimpapier der Sozialpartner: Zerschlagung des Ökostromfördermodells geplant*. Press Conference documents, Published online: http://www.auge.or.at/TCgi/Images/auge/20040930221249_sozialpartner_1.pdf (Accessed: 15.05.2011)

E-Control (2012): *E-Control and the Austrian energy markets*. Published online: http://e-control.at/de/econtrol_en/company (Accessed: 17.02.2012)

Federal Environmental Agency (2012): *Ökostrom*. Published online: <http://www.umweltbundesamt.at/umweltsituation/energie/erneuerbare/oekostrom/> (Accessed: 12.02.2012)

Federation of Industry (2004): Industrie: Kein Ende der Ökostrom-Kostenexplosion in Sicht! Press Conference documents: Published online:
http://www.ots.at/presseaussendung/OTS_20040616_OTS0061/industrie-kein-ende-der-oekostrom-kostenexplosion-in-sicht (Accessed: 15.05.2011)

Federation of Industry (2005): IV Positionen Juli-August 2005. Published online:
<http://www.iv-wien.at/dokumente/23/wien.pdf> (Accessed: 15.05.2011)

Glawischnig, Eva (2004): Grüne zu Geheimpapier der Sozialpartner: Zerschlagung des Ökostromfördermodells geplant. Press Conference documents, Published online:
http://www.auge.or.at/TCgi/Images/auge/20040930221249_sozialpartner_1.pdf
(Accessed: 15.05.2011)

Günsberg (2011): Erste Analyse des neuen Ökostromgesetzes – ein großer Schritt in die richtige Richtung. Blog, published online:
<http://guensberg.wordpress.com/2011/07/07/erste-analyse-des-neuen-okostromgesetzes-ein-groser-schritt-in-die-richtige-richtung/> (Accessed: 20.08.2011)

Oreskes, Naomi: The American Denial of Global Warming. Lecture available online;
<http://www.uctv.tv/search-details.aspx?showID=13459> (Accessed: 15.03.2011)
http://ec.europa.eu/clima/policies/package/index_en.htm (accessed 14.11.2011)

http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php
(accessed: 17.10.2011)

<http://www.news.at/articles/1115/11/294102/heimischer-zank-eu-klimaziele-wifo-studie-zufaellig-auftraggeber> (accessed: 13.04.2011)

<http://www.wifo.ac.at/www/jsp/index.jsp?&fid=23910> (accessed 21.04.2012)

9 Annex

9.1 Summary of exploratory interviews

Interviews conducted:

Erwin Mayer, Denkstatt	01. April 2011
Bernhard Obermayr, Greenpeace	22. June 2011
Christiane Brunner, Green Party	07. July 2011

Actors

- Parties
- Federal ministries (particularly Environment and Commerce)
- Federation of Industry
- Chamber of Commerce
- Chamber of Labour
- Federation of Trade Unions
- Large companies

Material

- Emission trading
- Renewable Energy
- EU emission reduction targets (2020 / 2050)
- Distribution of Austria-internal reduction targets
- Ecological tax reform

Arguments

- On a global level the USA and China have the highest level of emissions. Without consequential climate policy (e.g. binding emission reduction targets) by these countries, climate policy is futile. Rejection of EU reduction measures (e.g. raising the EU target from -20% to -30% by 2020 in relation to 1990 levels).
- Austria is an ecological pioneer (high proportion of renewable energy in electricity consumption and very energy-efficient companies) and as such should not be required to engage in comprehensive measures.

- Climate change mitigation is not cost effective (costs of renewable energy, carbon-leakage danger to economy, risk of international competition etc.).

9.2 Classification of contrarian arguments in the project

CONTRA

<u>Category</u>	<u>Example</u>
Trend sceptic	The planet is not warming
Cause sceptic I	Warming is not anthropogenically caused
Cause sceptic II	Only a small fraction of warming is due to anthropogenic causes, state of science is not secured
Effect sceptic	Warming is of an anthropogenic nature, but warming is either not harmful or is positive
Policy sceptic I	Mitigation is too expensive, only adaptation is sensible
Policy sceptic II	Other problems are more urgent
Policy sceptic III	Other actors must act first*

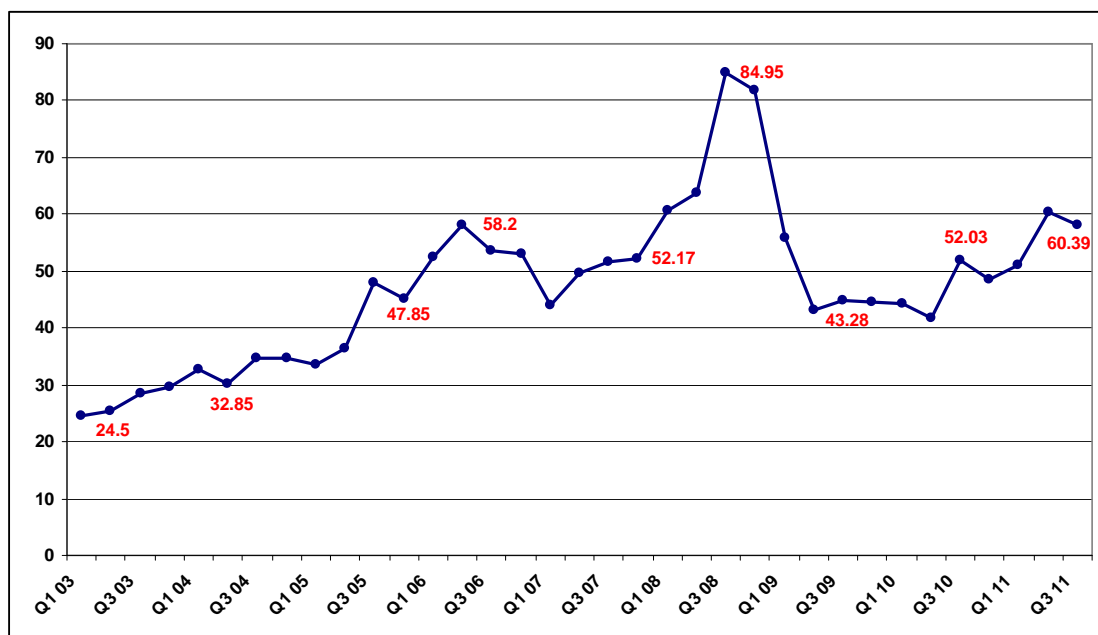
*climate policy:

- only makes sense on a local or global level
- is only relevant for main emitters
- only makes sense at low cost

Adapted from: Formayer, Mayer, Schlatter (2012): Classification. Not published.

9.3 Market Price of Electricity

Fig. II: Market price for electricity (Euro/MWh)



Source: adopted from E-Control 2011

Lebenslauf

Adam Pawloff

adampawloff@yahoo.co.uk

Geburtsdatum: 12.08.1981

Wohnort: Wien

Staatsbürgerschaft: Großbritannien

Familienstand: ledig

Akademische Ausbildung:

2005 – 2009 Bachelorstudium der Politikwissenschaft in Wien

2009 – 2012 Masterstudium der Politikwissenschaft in Wien

Spezialisierungsmodule:

Internationale Politik und Entwicklung

Europäische Politik und Europäisierung

Sprachen:

Deutsch

Englisch