



## How to Turn Ambitious Climate Goals into Effective Policy

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A growing number of jurisdictions are adopting climate mitigation goals — especially since the Paris Agreement on Climate Change of 2015. But even as ambitions fly high, it often is far from clear whether policies aimed at meeting climate goals will, in fact, be implemented. Turning policy goals into action faces effective business opposition even in jurisdictions where voters support climate policy. This raises an important question: What allows jurisdictions to actually turn climate goals into effective policy?

A comparison of California and Germany, two of the most ambitious climate leaders, is instructive. In 2006, California adopted signature legislation, the Global Warming Solutions Act (Assembly Bill 32) to set an emission reduction target for 2020. One year later, Germany, adopted its “Integrated Energy and Climate Programme,” which similarly specified an emission reduction goal for 2020. Today, however, California is on track to meet its goal, while — as Chancellor Angela Merkel’s government recently acknowledged — Germany will probably miss its target despite a boom in domestic renewable energy installations. This divergence has occurred during a period when California experienced significantly higher economic growth and population increases than Germany. Why the different outcomes? A key reason lies in processes of climate policy implementation that are differentially open to lobbyists.

### How Delegation to Bureaucracies Can Help Achieve Climate Goals

California and Germany represent two ways of organizing climate policy-making: in California, the legislature sets the climate goal and a bureaucratic agency designs implementation, while the opposite is the case in Germany.

- In **California**, the legislature took the initiative and focused only on setting broad *policy goals* — reducing emissions to 1990 levels by 2020. Assembly Bill 32 was a mere seven pages long, leaving much of the nitty-gritty to a bureaucratic agency. This compares to the 1,427 pages of the 2009 Waxman-Markey bill in the U.S. House of Representatives, which was the federal climate bill that got furthest. California legislators were keenly aware of the fact that detailed *policy designs* would raise a range of controversial distributional questions and provoke lobbying battles, so they delegated policy elaboration and implementation to a powerful agency, the California Air Resources Board — noted as CARB in the chart below. The agency has a long-standing tradition of autonomous policy-making on air pollution and was thus better positioned to fend off lobbyists as it took the short bill and turned it into a comprehensive set of measures to ensure the state would meet the goal set by the legislature. Now California is on track to reduce emissions by 2020 — emissions were just 2.4% above 1990 levels in 2014. Not surprisingly, California used the same approach when it passed a bill in 2017 to extend its cap and trade system to reach additional climate goals for 2030. Again, the bill was only 17 pages long, leaving the California Air Resources Board with much discretion.
- In **Germany**, the story unfolded in the exact opposite way under Chancellor Merkel. Germany’s federal bureaucracy set the climate goal — bring emissions down to 40% below 1990s levels by 2020 — and suggested 29 different policy measures to the legislature, which negotiated the specific design of every single one. Only those measures that could mobilize sufficient support among legislators and interest groups proved effective in reducing emissions — such as, for example, renewable energy expansion, a measure that had the support of that industry along with support from environmentalists and citizen groups. But in other areas related to transport emissions, such bottom-up support coalitions did not exist and strong industry opposition prevented effective climate policies from being enacted. As a result, Germany is not on track to meet its goals with overall emissions at 27.2% below 1990 levels in 2015.

Case Characteristics	<i>California</i>	<i>Germany</i>
<b>GDP in trillions USD (2016)</b>	2.623 (6th largest economy)	3.467 (4th largest economy)
<b>GDP growth (1990-2015)</b>	217%	147%
<b>Population (2016)</b>	39 million	83 million
<b>Population growth (1990-2015)</b>	30%	3%
<b>Regulatory capacity (2017)</b>	1,365 agency staff	1,200 agency staff

## Lessons for Climate Policymaking

The experience of California and Germany offers lessons for jurisdictions that seek to develop or revise ambitious climate reforms. A number of jurisdictions, such as Alaska, are formulating climate policy for the very first time. Others are entering a new round of climate policy as they eye emission goals for 2030, the timeframe of the Paris Agreement.

- If legislators initiate the policy-making process, they can decide to focus on broad policy goals — such as emission reduction targets — while delegating many controversial policy choices to bureaucratic agencies that may be less vulnerable to regulatory capture.
- Such delegation works when the jurisdiction has a well-established and insulated highly agency capable of formulating and implementing effective policies. The California Air Resources Board is a stand-out agency in this regard. Reformers in other places need to ask whether they have a comparable agency able to tackle policy elaboration.
- Delegation may be subject to institutional and legal constraints governing legislative delegation to bureaucracies and ways to hold administrators accountable.

Even when most voters favor climate action, implementation remains vulnerable to regulatory capture by business. Policymakers must identify procedural and institutional ways to limit lobbying pressures. A division of labor between bureaucrats and legislators can help — although it remains important to find additional ways to protect climate reforms from industry opposition.

**Read more in Jonas Meckling and Jonas Nahm, “The Power of Process: State Capacity and Climate Policy,” *Governance* 31, no. 4, (2018): 741-757.**