

Conclusions and Policy Implications



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The term energy transition at times gives the impression that it is a process that starts with *the* incumbent regime and ends with *the* new regime at some point in time. This simplistic notion could lead to clumsy debates about what ought to be the new perfect regime, whether a newly-emerged system is indeed the one to which the society aspired, and why so (or why not). In the context of research on political regime transition—transitions between authoritarian and democratic regimes within a state, which has resemblance to the current studies on energy transition—these questions have fascinated political scientists for more than half a century. There is an important lesson learned by researchers in this field; that is, studying such a phenomenon by the normative or positive characterization of two end points would lead to a fairly dysfunctional proliferation of regime sublabels. In their seminal work “Democracy with Adjectives,” Collier and Levitsky counted more than five hundred subtypes of democracy “precised” by adjectives that had eventually flooded the research field with little positive use.¹

The work presented in this volume is a compilation of research highlights that represent numerous studies carried out by researchers within the Energy Governance Work Package (WP4) of the Swiss Competence Center for Energy Research, Society and Transition (SCCER CREST). As our Introduction has illustrated in detail, these

¹Collier and Levitsky (1997), pp. 430–431.

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researchers worked together under common scientific interests in providing recommendations to overcome governance challenges in the course of the energy transition in Switzerland. Despite the variety of disciplines involved in this group, the conscious decision not to “over-precise” the shared notion of governance has successfully guided the 4-year collaboration. We did not only circumvent the type of research inertia that the scholars of regime transition experienced previously, but also enabled the analysis of good governance by applying various theoretical frameworks and methods.

Researchers in the work package focused on identifying concrete challenges associated with the governance of energy transitions. More precisely, we investigated, given newly-available technologies and specific policy goals implied by the Energy Strategy 2050, what specific legal, political, investor-related, and voter-related challenges we need to overcome. One can view the findings of each contribution in this volume as concrete steps that are incremental yet collectively critical to the breakthrough of such a large-scale transition of energy systems—Charles Lindblom’s distinction between comprehensive (“root analysis”) versus successive limited comparisons (“branch analysis”) comes to mind.² Naturally, when the Work Package was launched in 2017, our initial task was to break down the overwhelming objective into numerous but concrete issues to be tackled. As such, the findings presented in this volume should help identify basic designs and structural principles of good energy governance—i.e., governance that is more effective, efficient, and transparent.

As we outlined in the introduction chapter, this book first focused on macro perspectives in Part I, dealing with the interactions between the Swiss and European energy systems and policies. Part II then shifted the focus to domestic institutions through which interactions between state and non-state actors occur in ways that could drive (or hinder) the energy transition. Here we employed a broader definition of the relevant institutions and analyzed the implications of legal, political, and economic institutions (if markets can be characterized as economic institutions). Readers must have noticed that one of the most prominent focal points appearing in many chapters of Part II was that Switzerland’s federal system requires us to consider the consequence of explicit multilevel governance. Finally, Part III put micro-level analyses into the focus. The contributions in Part III shed light on some of the emerging and more detailed issues to be considered concerning two types of key actors: voters and other stakeholders, e.g., industry players and interest groups. This section treated the institutional considerations mostly as a black box; instead, the chapters focused on actors’ perceptions about policies and regulations, identifying ways to mitigate policy acceptance risks that might arise in the course of an energy transition in Switzerland.

Although this classification of the chapters by three relevant layers (macro, meso, and micro) and by the institution-actor distinction is convenient (and necessary) in laying out the contributions of the book, it is not necessarily helpful in providing

²Lindblom (1959), p. 79 et seq., 81.

recommendations for future policy implementation. Therefore, in the remainder of this conclusion section, we will summarize potential guiding principles that arise from our research in ways that synthesize multiple contributions in this volume.

Many of the recommendations relate to political, legal, and economic institutional structures and point to general considerations of good governance in network industries. Network industries tend to create vertically-integrated monopolies, which pose specific challenges when designing governance structures. More than in markets where competition may be effective without government intervention, competitive energy and electricity markets do not emerge without a design by the government. When designing the governance structures of energy markets, it is important to consider which level of government is best suited to effectively and efficiently overcome challenges. Effective multilevel governance may make it easier to strike a balance between concerns for the functioning of the system and the interoperability of the different actors. This is true in particular for the provision of fair and equitable access to the network for all users, as well as for concerns regarding locally optimized regimes and innovative modes of local governance. With the empowerment of local actors in ways that hold them accountable for potential failures, we might slowly overcome outdated modes of governance that are the result of entrenched interests of particular actors or that reflect axiomatic views of particular scientific disciplines, such as the current approaches to unbundling or to grid charges. By having the functioning of the system take centerstage, we may also deal with the fact that different administrative offices (independently based on each office's own motives) set diverse policy goals, which may result in inconsistent signals to private actors, giving rise to policy risks that deter potential investors.

Changes of governance can induce substantial shifts in private actors' behavior as well. Generally, changes in governance should preserve a level playing field among different types of actors in terms of market access and possibilities to innovate; in other words, we recommend that any deviations from this general principle should be accompanied by sufficient justification. For instance, this can mean that changes in governance should foster investments by private actors with financial rewards that are appropriate to the risks involved. Finally, our findings also implied that changes in governance would generate redistributive effects that need to be taken into account in the political process. Eventually, these first-order effects can also be transmitted back to the governmental actors. The altered investment landscape leads to heterogeneous and changing policy (outcome) assessments by the private actors. Therefore, governmental actors must consider whether their efforts for policy-industry coordination will be (re)allocated according to the changing level and location of contestation by key private actors.

The new set of collective knowledge we gained through the work represented in this volume also hints at the areas of energy governance that can benefit from further elaboration. One such aspect might be communication. Most of the aforementioned principles relate to economic and technical aspects of governance (including the legal and institutional technicality). This primarily involves business, industry, and governmental actors. However, some of the contributions in this volume vividly illustrate the importance of voters and policy discourses as factors that shape energy

governance. Here, the media plays a significant role in connecting energy professionals and voters. Without going into normative or paternalistic discussions as to whether and to what extent voters need to be informed about the course of our energy systems, the research findings involving citizens—together with our own experience from the political debates that preceded the referendum voting for the Energy Strategy 2050—imply that policymakers ought to be conscious about their proactive communication design. One should note that such communication design benefits from longer-term planning in order not to fall in the vicious pattern of constantly reacting to inconsistent political narratives that are shot from left and right.

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