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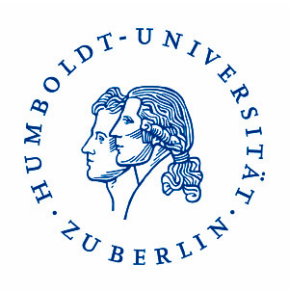

Dissertation

What drives the Energiewende?

New German Politics and the Influence of Interest Groups

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Abstract

Literature on interest groups typically suggests that economic interest groups with large economic threat potential (conflict capacity) and high organizational capacity are structurally more powerful than "weak" interests, such as environmental and climate protection. In particular, a high number of veto points or veto players should make profound change unlikely, all the more if the change runs both against a deeply entrenched path dependence and against the interests of powerful interest groups.

However, evidence from modern German energy politics since 1998 tells a contrary story: Large energy corporations, equipped with enormous economic resources and strong political ties, could not hinder politicians to implement comprehensive change in energy and climate policies – and shut down nuclear power plants, promote renewables, impede coal-fired power generation and introduce emissions trading, all against the will of strong interest groups, despite the high veto density in the institutional setting, and notwithstanding fossil-nuclear path dependence.

In the most extensive political science study carried out thus far, this dissertation explores how interest groups intermediation, veto opportunities and electoral pressure inform policy output across four energy policy fields over 15 years. The findings provide evidence that logics of political competition in new German politics have fundamentally changed over the last two decades, with respect to five distinct mechanisms: (1) The age of "fossil-nuclear" corporatism is over, superimposed by more pluralist patterns of interest intermediation, which opened the floor for competing actors beyond incumbent power companies. (2) With the new multitude of actors and intense public debate on energy policy issues, trust has become key for the assertion interests, whereas economic power has turned less relevant. (3) Initial small legislative steps have set new "green" path dependence into motion, which has engendered self-reinforcing lock-in effects and superseded the previous "fossil-nuclear" path dependence. (4) Faced with increased difficulties in coalition-building, mainstream parties adjusted their programmatic profile to steal voters from the popular Green party and access the Greens as potential coalition partner – leading to a "greening" of both major centre parties. (5) The crucial divide runs between the environmental wing and the economic wing within parties, rather than between parties. Environmental politicians of different parties have larger ideological consensus than with economic politicians of their own party.

Keywords: energy politics, climate politics, climate protection, nuclear power, nuclear phase-out, renewable energies, feed-in tariffs, clean coal, carbon capture and storage (CCS), emissions trading, policy change, lobbying, interest groups, veto points, veto players, Germany, energy transformation, energy transition.

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1. Introduction: What drives the *Energiewende*?

"Those damned lobbyists!" For this famous curse, US President Ulysses S. Grant (1869-77) is referred to as father of the term "lobbyist". He complained about the ever-growing crowd of petitioners keen to catch a minute with the President, awaiting him in the entrance hall of the Willard Hotel in Washington D.C. where he frequently stopped by for a brandy or a cigar Since then, the term "lobbyism" – originally derived from the Latin word for cloister courtyard – refers to the influence of interest groups in policy-making (see Vondenhoff & Busch-Janser, pp. 13-15; Kolbe, Hönigsberger & Osterberg, 2011a, p. 2; Leif & Speth, 2006, pp. 18-19).

Political decisions are certainly influenced by interest groups and do not originate in a vacuum. Policy choice is neither the logical outcome of rational deliberation, nor the natural evolution determined by objective problem pressure but is rather embedded in a complex institutional setting and soaked with societal conflicts – including the participation of lobbyists in pursue of their interests. Every policy choice – deliberately or not – serves the interests of some groups while harming others, thus partaking of interest groups seems utterly natural.

Albeit the legitimacy and necessity of interest groups participation is stressed in pluralistic strands of democracy theory (seminal: Truman, 1971), public and scholarly debate carries a negative undertone that condemns lobbying as threat to the common good. Since Theodor Eschenburg (1955) early cautioned against the "rule of private associations" on their way to ruin the common good and undermine democracy, this notion still widely prevails. Most prominently, Colin Crouch (2008) has proclaimed the era of "post-democracy" in which parliamentarians are reduced to a spectator role while power has shifted to a cartel of few elite lobbyists, spin doctors and top bureaucrats who calmly tie up shady deals in an arcane sphere sealed off from public deliberation at the expense of third parties. Even top politicians and nobel laureates warn against the disempowerment of parliaments (Wulff, 2011; Lammert, 2013; Bülow, 2010a; Grass, 2008).[1]

Investigative journalists are out to uncover the "privatization of democracy" (Volkmann, 2010),[2] the "lucrative wheeling at dealing of politics and industry" in today's "republic of corruption" (Tillack, 2009), the rule of nepotism (Joffe, 2002) and a mafia-like network of top managers and ruthless politicians (Roth, 2007). These "puppet-masters" (Gammelin & Hamann, 2005) hold the strings of government in their hands while democratically elected representatives lose their say. Lobbyists govern the country (Simmert, 2002), have literally bought the parliament (Schwarz, 1999) and write their own laws themselves (Adamek & Otto, 2008). It comes as no surprise that public opinion denounces lobbyism as harmful to democracy (Transparency International, 2012; EC, 2014).

Also in a growing body of academic writing, lobbyism encounters a stereotyped perception with negative connotation (as also noted in: Schmidt, 2007, p. 124; Wehrmann, 2007, p. 39). “Lobbying confers an unfair advantage on those that can afford to carry it out and therefore runs counter to the notion of democracy” (Warleigh & Fairbrass, 2002, p. 2). Conventional wisdom suggests that “big business” wins quite every political battle, at in the absence of exogenous shocks: “Very serious issues have arisen about the disproportionate influence of corporate lobbying […] Companies […] command a level of financial firepower that is impossible for any other voice to match in the competition for political visibility and persuasion” (Zinnbauer, 2009, p. 32). But only a first glance at modern energy politics in Germany engenders reasonable doubts if the nuclear and coal lobby really is as powerful as claimed. The proposition that “big business always wins” does not fit reality. Indeed, energy corporations suffered subsequent serious setbacks, whether the nuclear energy phase-out, renewable energy promotion, constraints for new coal power plants, or emissions trading. Not even a green party in government is needed to ensure environmental protection: Also the recent conservative/liberal government maintained renewables remuneration and abandoned nuclear power. Undeniably, there must be other factors at work that restrain the power of traditionally strong interest groups. Not for nothing, the political power of the energy industry appears to be “grotesquely overestimated” (Hogrefe, 2008, p. 8).

As perhaps best showcase, energy politics turned into a fiercely contested showground of political conflicts that attracted bitter public dispute and lobby battles. Not for nothing: The interaction of regulatory bodies and market actors is here stronger than in barely any other market, and electricity companies are as densely interwoven with politics as no other economic branch (Blasberg et al., 2011, p. 20). Given their high dependence on political goodwill, lobbying is more important for the economic viability of electricity suppliers than it is for other branches (Claasen, 2012, p. 24). Political interventions in the energy market affect every individual citizen and the entire economy alike, disrupt the competitive positions of corporations and entire branches, and redistribute enormous financial resources, always being tied up in irresoluble goals of environmental compatibility, security of supply and economic affordability. Therefore, the German *Energiewende* – i.e. the government’s endeavor to replace fossil and nuclear fuels by renewables – was referred to as “the greatest challenge to economic policy in Germany since the reconstruction [after the Second World War] and the greatest challenge to environmental policy at all”, as the leading conservative politician Peter Altmaier put it (BMU, 2012f, p. 8). UN Secretary General Ban Ki Moon (2012) even dignified energy politics as the “golden band of a sustainable future”. For good reason, the mitigation of global warming, skyrocketing prices for fossil fuels, and the societal controversy about nuclear power moved energy politics onto the top of the political agenda. These issues share a range of characteristics of “wicked problems” that are resistant to

solution since “they go beyond the capacity of any one organization to understand and respond to, and there is often disagreement about the causes of the problems and the best way to tackle them” (APSC, 2007, p. 1; see also Rittel & Webber, 1973). In the light of the magnitude and complexity of the problem and the envisaged change ahead, “the Energiewende therefore represents a comprehensive policy change whose magnitude is probably comparable to the advent of Germany’s welfare state in the 19th century. Now and then, Germany has ventured into uncharted territory, providing a blueprint for other countries to follow but also exposing the country to the risk of costly failure” (Stefes, 2013, p. 4).

There is an extensive body of scientific and popular-scientific literature on Germany’s energy transformation (for a comprehensive overview, see Mallock, 2012) and the role of interest groups. The established energy corporations are perceived therein as one of the most powerful lobbies in Germany, along with the armament, pharmacy and car lobby (Bülow, 2010a, p. 172; Kolbe, Hönigsberger & Osterberg, 2011b, p. 9; Speth, 2014, p. 13). The “nuclear lobby” and “coal lobby” are frequently blamed to exploit their immense power and their infamous connections to top politicians to obstruct climate protection and hinder renewable energies to develop (Greenpeace, 2007; Lobbycontrol, 2008, pp. 79-80). A big chunk of literature employs too narrow a focus, confining the research design solely to a single case, a single actor or/and a single explanatory factor, and neglecting the institutional surroundings – ending up with one-sided and biased conclusions that hardly fit reality. Two of the best-known German lobbyism researchers argued that the strong rise in electricity prices stemmed from the large corporations’ lobby power – because they have many parliamentarians on their payroll, they control the government and forced politicians to accept their price increases (Leif & Speth, 2006a, pp. 10-12, 29). By the same token, Corbach (2007) blames energy companies to have lobbied against the EU emissions trading scheme to such an extent that it resulted in a horrible failure. Lorenz (2010) concludes that the old energy industry’s lobby pressure effectively blocks renewable energies from development. Becker (2011) traces the failure of electricity market liberalization back to the lobbyism of big power suppliers and their strong political ties. Another big chunk of literature stays rather vague, blurry or inconclusive. Skjærseth and Wettestad (2008), for instance, refer to national political pressure as a main explanatory variable for climate policy choice, but miss to explain the genesis and constituent factors to account for this political pressure. For the EU27, Jenner et al. (2012) find that the existence of a solar energy association increases the likelihood of a state to adopt renewables regulation, but they miss to elaborate how a tiny solar energy group with marginal resources[3] can pressure governments so hard that they overpower the interests of economically strong energy corporations – the sheer statistical evidence is illusive if the underlying assumptions are unclear or simply wrong.

Current scientific literature is “full of clichés of lobbyism” (Leif, 2010, p. 3) and “endorses an outdated and almost frumpy view of lobbyism. There is barely any clear empirical analysis, rather a questionable recycling; no new science, rather plain copies of what has been written down traditionally” (Leif & Speth, 2006c, p. 353). With a particular focus on energy politics, politicians and lobbyists recapitulate that “only little scholarly discussion on lobbyism exists” (Bülow 2010a, p. 156) and that “demystification of lobbyism is overdue” (Hogrefe, 2008, p. 8). The failure of conventional accounts to provide a cogent explanatory model for interest groups triumph and defeat results in a poor understanding of how political actors are navigating the treacherous waters on such a hot-tempered issue as energy politics. Present theories meet evident deficits in research design or don’t help so much to explain why weak interest groups all of a sudden can bring big corporations to their knees. As researchers are busy defending their traditional claims, they fail to pick up that something must have changed but is not captured yet in democracy theory. More fresh empirical research is needed to put the blinders down and sharpen the old lenses to contribute to a clearer view on what lobbyists are doing in our democracy. Why and how exactly certain interest groups win or lose, has indeed attracted surprisingly scant scholarly attention and remained quite an uncharted scholarly territory (also noted in: Leif & Speth, 2006c, p. 353; Wehrmann, 2007, p. 36). The ongoing debate on the democratic deficit in the era of post-democracy has thus remained unresolved.

Competition of interest groups is often perceived as a fight of David versus Goliath (Kolbe, Hönigsberger & Osterberg, 2011c, pp. 12-13.). However, if thought through, this metaphor actually predicts a final victory of the apparently weak environmentalists over seemingly invincible big corporations, due to their smarter lobby “weapons”. Indeed, this proposition is not far off from reality. But then, how we can we explain their success, given that they have no chance to exert economic pressure on politicians? How powerful is the “fifth power” (Leif & Speth, 2006a) in fact? Indeed, the *Energiewende* constitutes a fundamental policy change that apparently runs against all traditional theories:

(1) Power resources theories expect that interest groups with high conflict and organizational capacity, i.e. a limited number of clearly identifiable private actors with lots of jobs and financial means, obviate every attack on their vested rights (seminal: Offe, 2003 [1972]; 2006 [1969]), whereas weak interests such as environmental protection are unlikely to organize and unable to pressure politicians. This “logic of collective action” (Olson, 1965) leads to the “privileged position of business” (Lindblom, 1977) vis-à-vis public interests. Yet, the *Energiewende* reforms have torpedoed strong business groups, namely large energy corporations and broad parts of the industry. Indeed quite surprisingly, politicians were out to curtail the interests of strong economic interest groups and favored diffuse, “weak” interests.

(2) *Veto approaches* argue that a high number of veto points or veto players will slow down policy change, which favors the status quo (Immergut, 1990; 1992; Tsebelis, 1995; 2002). This is because policy change needs the approval at all arenas where a veto is possible, whereas the maintenance of the status quo would only require one veto player to obviate or at least moderate change. In particular for the German example, the veto density is high – with a coalition government, two chambers of parliament often dominated by opposite party majorities, and a strong constitutional court. Herbert Kitschelt (1986) argued that the political opportunity structures in Germany are closed to political input and weak in state capacity, making "substantive gains" of anti-nuclear protests "least likelv", as the government was systematically inclined to insist "on a pre-determined policy course", with "political stalemate" as "the likely outcome" (Kitschelt, 1986, pp. 67, 84). However, notwithstanding these institutional barriers, energy policy in Germany has undergone a fundamental paradigm shift, which calls for more attention in neo-institutional theories.

(3) *Path dependence* approaches claim that a given energy policy is unlikely to change. If change occurs, it is only incremental or driven by external shocks (seminal: Pierson, 1993; Lehmbruch, 1995). An existing critical infrastructure with multi-billion investments made, such as the centralized fossil-nuclear electricity supply, is unlikely to be dismantled. But quite the contrary, there has been fundamental change – occurring much earlier than the Fukushima nuclear disaster, which unfolded only an acceleration effect on a change that has been already underway, but did not work as the initial motor for change.

At the bottom line, these conditions suggest the impossibility of far-reaching policy changes, particularly if attacking vested rights of economic interest groups (Rüb, 2013, p. 4; Schmidt, 2007, p. 190). Both scope and direction of policy change are unexpected and unexplained. Indeed, the *Energiewende* first "seemed next to impossible" (Stefes, 2013, p. 10). This work will devote a close look to modern German energy politics to account for these astonishing reforms.

Research Question and Core Arguments

Aiming at contributing to the closure of the gap in literature, our central research question is, put in a nutshell: *What drives the Energiewende? Which patterns and institutional logics inform public policy choice in modern German Politics, and what is different from the past? Why and how exactly are some interest groups more successfully than their competitors?*

I start from the argument that political opportunity structures in today's "Berlin Republic" greatly differ from the era of the "old Federal Republic" (Schmidt, 2000) in the Bonn era of the 1980ies. In the closed corporatist circles of the past, a countervailing power to the fossil-

nuclear interests was absent, and organizational and conflict capacity was sufficient to win the game. Back then, not even exogenous shocks triggered major change – most outstanding, the Chernobyl nuclear disaster in 1986 did not hinder the government to put six additional reactors into operation. With the emergence of the environmental movement and the eyes of the public carefully watching, the logics of political competition have fundamentally changed and formed new political opportunity structures (cf. *table 1* below):

1. *The End of Fossil-Nuclear Corporatism:* The era of exclusive corporatist interest intermediation with a handful of established interest groups from fossil-nuclear energy corporations and big industry has come to an end. The new heterogeneity of organized interest groups – such as environmental organizations and renewables industry – has led to increasingly pluralist patterns of interest intermediation, which forced the incumbent corporatist actors to face up to competition and demolished their monopoly.
2. *Trust:* Although economic threat potential is still relevant, trust has become the key lobby resource. Interest groups that lack recognition as legitimate, credible and reliable partner in the eyes of politicians and the general public are unable to impact policy choice. Advocacy coalitions able to link high trust with high economic threat potential will therefore be most assertive.
3. *The Greening of the Grand Coalition:* Both major mainstream parties CDU/CSU and SPD have moved towards a more environmental profile, in the course of their electoral base obtaining stakes in renewables and the Greens advancing to a recognized coalition partner, nudging out the anti-environmental FDP as pivotal player for coalition building.
4. *The Greening of Path Dependence:* Seemingly moderate reforms initiated new path dependence towards renewables, leaving the previous fossil-nuclear path. Through subsequent reform steps and self-reinforcing effects, apparently incremental reforms accumulated over time and resulted into comprehensive policy change. The same veto points and veto players that earlier protected the fossil-nuclear status quo now protect the energy transformation.
5. *Issue Dualism:* Cleavages within parties have become more severe than between parties, concerning energy politics. Struggles of intra-party factions between the environmental wing and the economic wing have intensified and created a specific issue dualism: environmental politicians of any party have generally more common positions with environmental politicians of a competing party than with economic politicians in their own party, looking at the field of energy and climate politics. The logic of issue dualism also informs intra-governmental preference formation, mirrored in institutional conflicts between the environmental and the economics ministries, and leads to inhomogeneous and erratic party positions, which calls for more attention in veto theories that have under-problematized the inconsistency of party positions thus far.

This doctoral thesis will provide evidence for these arguments, reconstructing the energy policy reforms of the past 15 years. It features nine main sections: After giving a preview of my approach and my findings in the remainder of this chapter, I begin with a brief outline of the basic features of the *Energiewende* reforms (chapter 2). Thereafter, I lay down my theoretical and methodological approach (chapter 3) and provide an overview of the institutional landscape in Germany and relevant interest groups (chapter 4). This comprehensive groundwork is followed by four in-depth case studies on nuclear power, renewables promotion, "clean coal" and emissions trading (chapters 5 to 8). Finally, I summarize my findings, discuss democracy engineering and give an outlook to the future of the *Energiewende* in Germany (chapter 9).

Table 1: New Political Opportunity Structures in the Berlin Republic

	Bonn Republic: Old German Politics	*Berlin Republic: New German Politics*
system of interest intermediation	strong corporatist tradition: "fossil-nuclear corporatism"	increasingly pluralist patterns: new heterogeneity of interests
key lobby resource	economic threat potential	trust
(informal) coalition building	"Grand Coalition State" with FDP as pivotal party	"Green Grand Coalition State" with Greens as pivotal party
path dependence	fossil-nuclear path dependence	Green path dependence towards renewables
lines of conflict	energy policy conflicts between parties	energy policy conflicts within parties

Source: own table.

Conceptual Framework

My research is designed in an exploratory fashion to enhance our understanding of policymaking and interest groups dynamics in modern Germany, overcome the shortcomings of the prevailing literature, enhance existing accounts and generate hypotheses for further research. Aiming to uncover political mechanisms in the arcane sphere and looking into the "black box" of politics, I apply a qualitative multi-case study, based on a content analysis of documents and expert interviews, enriched with quantitative data where meaningful.

My framework combines the merits of neo-institutionalist accounts of interest groups bargaining, with a focus on veto-points in conjunction with electoral pressure. I devote a good deal of attention on this process tracing. I will discuss patterns and logics of interest groups influence and rationales and constraints of the political opportunity structure, leaning towards an analytical frame that is oriented towards resources of interest groups, veto points, and electoral considerations.

As heuristic approach to investigate main conflicts, the *Advocacy Coalition Framework* developed by Sabatier and Jenkins-Smith (1993) serves as conceptualization of conflict constellations widely employed in interest groups research. The model aggregates the

multitude of actors into advocacy coalitions that share the same belief system. I argue that energy politics can be understood as battle between two advocacy coalitions: on the one hand, the *fossil-nuclear* or *economic coalition* of energy corporations, industry, allied unions and others, protecting the centralized fossil-nuclear energy supply and reluctant to climate protection; on the other hand, the *renewables* or *environmental coalition* of environmental groups, renewables industry, farmers and others, aspiring the rapid, comprehensive and decentralized expansion of renewable energies and fighting for strict climate protection. I identify members and articulated interests of each coalition as well as potential sub-coalitions and thereafter compare them against the final policy output, so "winners" and "losers" of a given policy choice are revealed.

As cases, I selected four out of the most important national energy policy issues: nuclear power, renewables, "clean coal", and emissions trading. My investigation period begins with the historic change of government in 1998, when the Greens entered the government for the first time, and ends with the conservative/liberal government being voted out in 2013. By comparison over time and cases, I believe that stable factors and mechanisms can be identified. I explicitly address interactions with the EU level where meaningful yet stay focused on the national stage.

The analysis covers in total 15 observations (see *table 2*). In spite of the high complexity and typical compromise character that any law bears, it is still feasible to classify winners and losers of a certain policy choice. In 12 out of 15 observations, the Environmental Coalition was most assertive, whereas the Economic Coalition proved more influential in only two observations. For one observation with a mixed result and decision-making taking place on EU level, I abstained from a classification. In the following sections, I outline the development of the four policies at stake in order to draw a clearer picture of what actually happened and to give an outlook to the in-depth analysis in the upcoming chapters.

Table 2: Winners and Losers in German Energy Politics (1998-2013)

	SPD/Greens (1998-2005)		CDU/CSU/SPD (2005-2009)	CDU/CSU/FDP (2009-2013)		
Atomic Energy Act	ENVI (phase-out 2000/2002)		(gridlock)	ECON (lifetime extension 2010)	ENVI (phase-out 2011)	
Renewable Energy Sources Act (EEG)	ENVI (EEG 2000)	ENVI (EEG 2004)	ENVI (EEG 2009)	ENVI (PV Act 2010)	ENVI (EEG 2012)	ECON (PV Act 2012)
CCS Act ("Clean Coal")	(not on agenda)		ENVI (failure 2009)	ENVI (failure 2011)	ENVI (Non-CCS Act 2012)	
Emissions Trading	ECON (1st period 2005)		ENVI (2nd period 2008)		indistinct (3rd period 2013)	

Note: ENVI = The Environmental Advocacy Coalition was most assertive. ECON = The Economic Advocacy Coalition was most assertive. The classification serves to reduce complexity and does not imply that certain elements of the policy were beneficial to other interest groups than indicated. *Source:* own table.

Energiewende in Brief, I: The Nuclear-Phase Out

After a long period of gridlock, the replacement of the old conservative/liberal government by the new social-democratic/green government in 1998 – with the first time in history involving the Green Party – opened a window of opportunity to push for reforms in nuclear policy, as both coalition partners newly in office shared the programmatic objective to leave nuclear power, aspiring to overcome decades of fierce and paralyzing societal conflict.

However, plant operators could rely on unlimited operational approvals and threatened with multi-billion compensation claims before the constitutional court, so the government had to find a mutual agreement to avoid judicial defeat. In the "nuclear consensus" in 2000, achieved after laborious negotiations, nuclear firms accepted the limitation of their operational licenses to an average lifetime of 32 years. In return, the government guaranteed the undisturbed operation until the shutdown, i.e. to abstain from political interventions such as a nuclear fuel tax. In spite of these concessions, the nuclear consensus constituted a paradigm shift, as the goal in nuclear policy was reversed from the promotion to the termination of nuclear power.

Although both contracting parties remained free to withdraw their agreement and terminate the consensus, also subsequent governments under pro-nuclear CDU leadership continued the exit roadmap, due to the veto of the SPD as junior coalition partner. The past policy choice thus had alleviated path dependence and progressed away from nuclear, irrespective of the moderate pace of implementation.

In the course of time, the conservatives' electoral base obtained more and more stakes in renewables – as farmers and homeowners invested in solar, wind and biogas plants due to parallel promotion programs –, resulting in a shift in programmatic positioning: In a pivotal party congress resolution in 2008, the CDU accepted the nuclear phase-out per se, coining the notion of a "bridging technology", and linked the still desired lifetime extension to the condition of the absorption of extra profits of nuclear firms to fund renewables promotion and climate protection. Nuclear power therewith lost its status as core belief and turned into a tool intended to advance, not roll back the energy transformation. As soon as the CDU was able to shake off the SPD as partisan veto player and replace it by the pro-nuclear FDP after elections in 2009, the new coalition extended nuclear lifetimes, introduced a nuclear fuel tax and obliged plant operators to additionally contribute to the Energy and Climate Fund newly established. The pace of the phase-out was decelerated, while the phase-out per se was not put into question, combined with heavy fiscal burdens for plant operators. Although plainly implementing their programmatic objectives, politicians had to cope with massive protests, adverse public opinion and accusations of slipping before the nuclear lobby.

Just a few months later, the nuclear disaster in Fukushima sparked off a political landslide. After the meltdown occurred in March 2011, the government immediately shut down almost half of the country's nuclear reactors, first temporarily for a three-months moratorium but later for permanent decommissioning. In addition, the government withdrew the previous lifetime extension and re-accelerated the phase-out. The new regime provided for leaving nuclear power until 2022, approximately in the same pace as the initial nuclear consensus, yet with less flexibility for plant operators. This return to the status quo ante was aimed to shield the phase-out against legal challenges, as plant operators had given their consent to the original lifetime limitation that now was more or less reinstated. The nuclear fuel tax was maintained nevertheless. Nuclear firms found themselves excluded from policymaking, had to accept severe economic losses and took legal action to claim enormous compensation payments. Exploiting a window of opportunity opened up by the focusing event of the Fukushima catastrophe, Chancellor Merkel assumed the role as political entrepreneur, recognized the strong shift in overall public opinion and their core electoral base, and accessed new coalitional options with the Green Party as an indispensible alternative, foreshadowing the crisis of the FDP. Fukushima re-accelerated the pace of the phase-out again and tightened its conditions but only catalyzed a change that has been underway already.

Energiewende in Brief, II: The Renewable Energy Sources Act

As second major policy change aside of the nuclear phase-out, the SPD/Green government, in 2000, enacted the Renewable Energy Sources Act, replacing the preceding Electricity Feeding Act. The regulation introduced profitable and long-term feed-in tariffs for electricity from solar, wind, biomass and hydro power, with rates differentiated according to the costs of each specific technology, and granted priority feeding into the grid for renewables.

The new promotion framework unleashed a dynamic growth of renewables, surpassing all expectations in pace and dimension. While renewables contributed only some 5% to total electricity demand in 2000, they accounted for about a quarter of overall electricity consumption in 2012, with continued upward trend. The renewables industry grew from a niche of idealistic environmentalists into an important industry that created hundreds of thousands of jobs all over the country and particularly in structurally underdeveloped areas such as in East Germany, where solar manufacturers advanced to one of the leading innovative branches. While generation costs of renewable electricity dropped dramatically as a result of technological enhancements and economies of scale, promotion costs kept rising due to accumulating capacity growth and liabilities from initially high tariff payments.

Several subsequent reforms under varying party majorities have adjusted remuneration rates to technological and economic developments, introduced nature conservation criteria, scaled up expansion targets and enlarged privileges for energy-intensive industries. The promotion framework itself proved resistant to major alterations, irrespective of attempts to replace or at least supplement the rigid feed-in tariffs by other instruments (such as quotas or tenders).

Only after a sharp cost increase resulting from an uncontrolled boom of photovoltaic capacity and excessive profit margins in this sector, along with tarnished reputation of the solar lobby that had lost their credibility owing to communication failures, the government, in 2012, substantially cut the solar tariffs to bring the growth back under political control, whereas all other renewable energies still enjoyed fairly sufficient remuneration. The severe retrenchment for solar energy finally overdrew its purpose and triggered the collapse of photovoltaic build-up far below the growth targets politically envisaged.

Energiewende **in Brief, III: "Clean Coal"**

In the light of high greenhouse gas emissions from burning coal, plant operators and unions with stakes in the coal sector aspired to make coal combustion less harmful to the atmosphere. In doing so, they strived to improve the tarnished public image of "dirty" coal, safeguard their business model against political ambitions for climate protection, and prepare for prospectively rising pollution costs resulting from the emissions trading scheme newly established. "Carbon Capture and Storage" (CCS), a technology in development advanced by the EU and endorsed by climate scientists, promised to marry coal power and climate protection. Environmental groups, however, remained skeptical or entirely opposed towards the "clean coal" ambitions and blamed energy corporations to abuse CCS as an alibi to preserve the fossil energy path and ignore the risks for health and environment.

The conservative/social-democratic grand coalition, in 2008/09, was willing to promote CCS and establish a sound legal framework that allowed for the viable operation of first large-scale demonstration projects. In 2009, however, the completely finalized draft for the CCS Act surprisingly failed – withdrawn by the government just the day prior to the scheduled vote in parliament. Fatal communication errors of the main CCS proponent, the electricity corporation RWE, had evoked severe resistance of citizens in the state of Schleswig-Holstein, where the first large underground carbon dioxide disposal site was projected. With crumbling local acceptance, local politicians across all parties turned against CCS and Schleswig-Holstein's prime minister announced to veto the law in the chamber of states, the Bundesrat. At the same time, Bavarian farmers started to pressure the CSU (the CDU's Bavarian sister party) to obviate the law for the sake of landowners' rights and water

conservation. Facing growing intra-party opposition in both chambers of parliament, the Chancellor called off the vote and postponed the CCS Act to the next legislation period.

In a second attempt in 2010, the new conservative/liberal government granted major concessions to critics, amongst other issues addressing environmental and health concerns, and limited the size of underground storages. Even though a special clause gave states more control over the use of CCS on their territory, the bill failed to achieve the majority required in the Bundesrat.

Only in a third attempt thereafter, an informal federal-state working group could iron out a consensual solution – yet, the compromise finally adopted introduced severe constraints that made CCS economically unviable. In the meantime, also application deadlines for EU promotion funds had expired and deprived the energy industry of the financial basis for their CCS projects. Plant operators consequently put aside all their CCS endeavors. Within a very short time, a heterogeneous alliance of CCS opponents – involving environmentalists, farmers, water suppliers, local residents and mayors – ended the political support for the energy industry's aspirations for new "clean coal" power plants.

Energiewende in Brief, IV: Emissions Trading

As flagship for climate protection, the European Union launched a joint emissions trading system that placed an effective cap on greenhouse gas emissions and relied on the market to find the least cost route to lower carbon emissions. Operators of fossil-fired power plants and industrial manufacturing sites were allocated with emission limits for their plants and adequately endowed with emission allowances. If they fulfilled their emission limits, they could sell surplus allowances on the market. Vice versa, if their actual emissions went above the allowed quantity, they had to purchase additional licenses. Notwithstanding the fierce opposition of the entire German industry and despite the absence of pressure of environmental groups, the EU emissions trading scheme started with a trial period in 2005, with a second trading period scheduled for 2008-2012 and a subsequent third trading period thereafter.

For the pilot phase (2005-2007), EU member states had large leeway to implement their individual national allocation plans. In Germany, a close alliance between industry and unions successfully pressured the SPD-led government to abstain from ambitious reduction targets and restrictive allocation rules, while environmental groups remained suspicious towards the new instrument. As the government could not rely on experience with emissions trading, it was willing to grant sufficient flexibility to companies in order to prevent undesired

negative impacts on the economy. To this ends, business groups have been intensively involved in law preparation by means of governmental working groups.

Turning to the second trading phase covering the time period relevant to reduction obligations under the Kyoto Protocol (2008-2012), energy suppliers had to cope with a credibility crisis as result of the exploitative rollover of allowances costs onto electricity prices. This behavior enabled environmental groups to place emissions trading on the public agenda and blame the big utilities for excessive profits at the expense of consumers. In spite of cuts in the endowment of allowances for the electricity sector, the national allocation plan was still designed in the interest of the manufacturing industry and coal power plant owners. In the EU review process, however, the EU Commission substantially lowered the limit on domestic emissions and removed privileges for coal power. The German government, holding the presidency of the EU Council at the time, waived legal action against the Commission's ruling, in the light of the positive public image of "climate chancellor" Angela Merkel and avoid legal uncertainties for the domestic industry. The imposed cuts in the emissions budget went at the expense of the energy industry, which furthermore now had to auction allowances, whereas the manufacturing sector remained relatively well endowed with allowances free of cost. Yet, in crucial details not well understood in public discourse, the burdens on the economy were subtly relieved again, to the dissatisfaction of environmentalists.

For the third trading period, prepared in 2011 and launched in 2013, the system of national allocation plans was replaced by joint EU-wide allocation rules, which made national legislation much less relevant. The EU emissions budget particularly burdened the electricity generation sector, which now had to purchase all its licenses by auctioning, whereas the manufacturing industry have been widely exempted from compulsory auctioning and severe reduction targets.

The End of Fossil-Nuclear Corporatism

In 1986, Herbert Kitschelt argued in his seminal article on political opportunity structures that the German system was closed to political input and weak in state capacity, giving anti-nuclear protests and other civil society movements "least likely" chances, as the government was inclined to insist "on a pre-determined policy course". Consequently, he expected "political stalemate" to be "the likely outcome" in public policy choice (Kitschelt, 1986, pp. 67, 84). Although not being uncontested (for a critical review, see Rootes, 1999), his concept appeared plausible to capture the impact of political settings on policy choice in his time.

These political opportunity structures, though, have profoundly changed. The patterns of interest groups intermediation in today's "Berlin Republic" are fundamentally different from traditional corporatism in the era of the "Bonn Republic". The rigid and closed networks in energy politics have been displaced by a fairly pluralistic, fragile and dynamic pattern of interest intermediation with a high number of actors from a heterogeneous spectrum.

Irrespective of their still strong position in the energy market, fossil-nuclear companies have lost terrain over the last two decades. *The era of fossil-nuclear corporatism is over,* superimposed by neo-pluralist patterns of interest intermediation. In the course of renewables expansion, the energy market has decentralized, with a large number of new actors entering the market. Farmers, homeowners, cities, independent electricity suppliers and companies from outside the sector (such as Volkswagen and Telekom who began to offer small-scale power plants for private homes) have discovered decentralized energy production as business case. A network of a multitude of small power plants in widely diversified property is about to superimpose the centralized supply structure of a few power plants in the hand of large corporations. Branch associations, not least the Federal Association of German Energy Industry (BDEW), need to integrate the new market actors from the renewables branch and approach civil society.

This new heterogeneity highly affects the capacity of preference aggregation of peak associations and weakens their organizational capacity, undermining the established interest groups. The old fossil-nuclear electricity utilities, formerly having enjoyed a representation monopoly in policymaking, now must compete for political influence like any other actor, which weakened her bargaining power. Environmental organizations enlarged their membership base and partnered up with online-based platforms to mobilize followers, which strengthened their organizational capacity. If environmental organizations or other interest groups outside of the old corporatist circles achieve to raise public awareness and activate public opinion, they can utilize electoral pressure for their cause. If public awareness is absent, by contrast, elite lobbyists remain more influential, which usually benefits the established corporatist interest groups.

This development had its origins already in the 1970ies with the emergence of the environmental movement in the 1970ies and the Chernobyl meltdown in 1986. However, under the protective conservative/liberal government back then, the inner circles of decision-making remained closed to inferior actors from outside the fossil-nuclear lobby. Only when the social-democratic/Green government took office in 1998, the formerly closed shop of decision-making opened up for new actors from the environmental and renewables scene, who gained more and more access to decision-making along with the growth of renewables in the electricity mix. The Fukushima catastrophe in 2011 only sealed the foreshadowed end of fossil-nuclear corporatism.

The Greening of the Grand Coalition

Also the mode of party competition has gone through a fundamental shift. In his seminal dictum of a factual permanent "Grand Coalition State" (Schmidt, 2000), Manfred Schmidt described the structural imperative for cooperation between the majorities in both chambers of parliament and hence of the two major parties CDU/CSU and SPD. This is still accurate, yet the logics of party competition look different today – and are indeed better branded as *"Green Grand Coalition State"*, owing to two contagious effects:

(1) Shifts in the Electorate: Shifts both in overall public opinion and in economic interests in their electoral base have triggered both major parties CDU/CSU and SPD to embark on a more environmental course (see *table 3* for shifts in party positioning). In particular, also the conservative middle class has become engaged in renewables, such as homeowners with solar roof systems or farmers with wind power plants and biogas. Besides, renewables have gained economic weight and have become part of economic reasoning. Along therewith, nuclear power has gradually lost its status as deep core belief among the median voter and conservative constituencies. The increasingly challenging task to facilitate internal cohesion within both mainstream parties opened up opportunities for new interest groups from the environmental and renewables scene. Today, CDU and SPD are "greener" than ever before.

(2) New Pivotal Role of the Green Party: In the Bonn Republic, party competition was marked by a three-party-system with the FDP as pivotal player for coalition building with either CDU/CSU or SPD. The emergence of the Greens, bearing in mind their cumbersome recognition as "normal" coalition partner and their upward trend in voter popularity, has established a competitor that stole votes from mainstream parties, complicated traditional coalition building but also opened a new coalition possibility. In the 2005 election, for the first time in history, neither the CDU/CSU/FDP camp nor the SPD/Greens camp achieved a majority, which made a grand coalition inevitable. Since then, parties realized that they had to explore new coalition models. The CDU/CSU did not want to depend from uncertain majorities on the FDP and approached the Greens, witnessing the increasing anchoring of Green voters in the conservative middle class and declining ideological distance in critical issues such as family or nuclear policy. Coalitions on state level in Hamburg and Saarland put CDU/Green coalitions to a test. Only the CDU's commitment to nuclear energy made it impossible to approach the Greens – until Fukushima opened a window of opportunity that allowed to change nuclear policy and to access the Greens as new potential junior partner. After the FDP being voted out of parliament in 2013, the only advocate of the fossil-nuclear path disappeared and the Greens have nudged out the FDP as pivotal player. For the Greens, a coalition with CDU/CSU is the only chance to participate in government in the

foreseeable future; vice versa, the CDU/CSU needs the Greens as only possible coalition partner besides the SPD. The leaderships of CDU, CSU and Greens sent clear signals of mutual rapprochement and explicitly considered to form a coalition after the next elections in 2017. "This has ceased to be an ideological issue", CSU chairman Horst Seehofer clearly stated.[4] Only a decade ago, a CDU/CSU/Green government was still inconceivable due to incompatible deep core beliefs; today, it is perceived as regular option. The Greens have just now become the new pivotal player, thanks to incremental changes over a long time. Energy politics is critical to demonstrate how they have been coming towards that role.

Both effects – the shifting interests in the electorate as well as the pressure for new coalition models – made mainstream parties de-polarize environmental policy conflicts by adapting positions closer to the Greens, aiming to decrease the scope for the Greens to mobilize voters and to attract new constituencies themselves.[5] This "greening" has affected both major center parties CDU/CSU and SPD, while the FDP as only remaining defender of the fossil-nuclear path has stumbled into political irrelevance after a bitter electoral loss in 2013 and least chances for recovery. The logics of the "Grand Coalition State" are hence nowadays better described as "Green Grand Coalition State".

Table 3: Shifting Party Positions in Energy Policy

	Nuclear Energy	*Renewables*	*Clean Coal (CCS)*	*Emissions Trading*
CDU/CSU	ECON → ENVI	ECON → ENVI	indistinct → ECON (→ ENVI)	indistinct → (ECON) → (ENVI)
SPD	(ENVI) → ENVI	ENVI	indistinct → ECON (→ ENVI)	indistinct → (ECON) → (ENVI)
Greens	ENVI	ENVI	indistinct → ENVI	indistinct → ENVI
FDP	ECON (→ ENVI)	ECON (short-time: ENVI)	indistinct → ECON	indistinct → ECON
Left Party	ENVI	ENVI	indistinct → ENVI	indistinct → ENVI

Source: own table, based on a review of party manifestos and selected party congress resolutions. *Notes:* Arrows indicate changing positions in the course of the investigation period (1998-2013, including party manifesto 2013). Brackets indicate ambiguous positions.

Trust: Key Resource for Lobby Success

Scholarship has widely dealt with organizational and conflict capacity as power resources of interest groups yet has neglected the role of trust in interest intermediation. I argue that trust is the key resource inevitable for an interest group's success as soon as the issue at stake has moved from closed corporatist circles onto the public agenda. Under this condition, trust comes in: *If an interest group loses recognition as legitimate, credible and reliable partner in the eyes of political decision-makers and the general public, it will be unable to impact a policy choice.* Three partially interlinked mechanisms are at work here (see chapter 3.3):

(1) For politicians, it is important that they can judge which interest groups will offer them usable and accurate information on how to reach their own political goals and which compromises are acceptable for the branch. If politicians feel that they cannot trust the advice of an interest group, as the information is likely to be false or misleading, the interest group will lose its say as policy advisor. An interest group may still gain short-term benefits by tricking politicians into the desired policy choice but then will significantly lose out all the more serious at future policy decisions.

(2) As politicians are seeking for (re-) election, they are sensitive to the public image of interest groups. Any meeting, negotiation or other form of collaboration with an interest group that suffers from bad public reputation could reflect on the politician's image – entirely irrespective of the actual content or significance of the collaboration. Politicians therefore will cautiously pick which interest groups they are willing to recognize. Media coverage and opinion polls but also the opinion of citizens in the electoral district and of party fellows constitute reference points for politicians to evaluate if an interest group is trustworthy in the eyes of the general public.

(3) Politicians need to present any reform as in the interest of the common good, although the reform in fact might be targeted at satisfying a particular group and harm others. Therefore interests must be considered legitimate by overall public opinion, as otherwise politicians will hesitate to follow these interests to avoid blame and electoral punishment. Both interest groups and supportive politicians will thus attempt to frame their interests and preferences as serving the common good, the "national interest" or overall accepted values.

These mechanisms are dependent on the salience of an issue on the public agenda. Politicians therefore can still close their eyes to the public image of an interest group if in fact no one cares. For instance, CCS legislation has been intensely discussed in elite circles, in absence of public awareness – no one even cared. However, as soon as public awareness emerged, the issue shifted to the public agenda and corporate lobbyists lost their say. Politicians can neglect public opinion when it remains inactive, i.e. restricted to some abstract or private beliefs – but once public opinion is activated, politicians cannot simply ignore it anymore, at the risk of electoral losses. Once an issue has moved onto the public agenda, professional lobbyists operating in the arcane sphere cease their influence and public opinion hits in, backing certain interest groups (with high trust) while harming others (with low trust). The more salience an issue has acquired on the public agenda, the less influence remains for professional lobbyists – except for technical details too complicated to communicate in public. Based on this logic, the economic coalition will always win, no matter what public opinion says, unless public opinion gets activated by a focusing event (such as the Fukushima catastrophe), a strong opponent party that mobilizes electoral pressure (such as with regard to CCS in Schleswig-Holstein), or a green party in government.[6]

This mechanism also holds if the issue at stake seems to have only little salience in the polls. Politicians have developed an early warning system for sensitive issues that bear the *risk* to become relevant, even though the large majority of voters does not even care (yet). This is highlighted in the case of the CCS Act, which was effectively stopped by regional protests of a small but vigorous minority that threatened to mobilize voters, while salience at national level was absent. Without local acceptance, any infrastructure project must fail, as it can swiftly advance to an issue of nation-wide attention – alone the risk that it *can* become salient is sufficient. Not only the failure of CCS, also the sometimes civil-war like protest against the train station project Stuttgart 21 and the fierce dispute on gas fracking constitute striking examples. In all projects, the lack of trust in responsible actors played a key role. Through intra-party channels, the Bundesrat and regional members of the parliament, vital regional interests translate into national policy choice.

While previous research has largely overlooked the role of trust, business lobbyists are very aware of the importance of trust for success: In their view, they have less influence on politicians than lobbyists from civil society, for being disadvantaged by lacking support in public opinion and media – and for being blamed for every minor lobby activity right away, whereas environmentalists can engage in most intense lobbying efforts without risking public condemnation (Kolbe, Hönigsberger & Osterberg, 2011, pp 12-13; Hogrefe, 2008, pp. 6-7; Gräf, 2012, p. 1). Energy corporations have today entirely forfeited their trust due to false forecasts and dubious lobbying efforts in the past, which is why they now must struggle for their political survival, irrespective of their still dominant position on the energy market. None of their proposals is likely to encounter political acceptance. Just recently, for example, plans of large utilities for a reform of the liabilities for the dismantling of nuclear power plants unintentionally leaked out – and were harshly rejected by all parties right away (BT, 2014, doc. 18/1959; Der Spiegel, 13.5.2014). Regardless of their still great *market* power, their *political* power has ceased, resulting from their trust crisis.

A striking feature of how trust shapes policy change is the *pendulum effect*: Interest groups might be able to temporarily modify policy change by pressing politicians or providing misleading information, but will then suffer an even greater setback if they fail to maintain their recognition as trustworthy partner. When they push the limits too much and overdraw the bow, they will lose out all the more painfully at future policy decisions – like a pendulum that swings back all the stronger. The more they pushed the limits before, the more the pendulum will swing back and damage their scope for influence. When the game-changing tipping point is reached, professional lobbyists cease their power due to the lack of trust, and public opinion hits in. Competing interest groups with high trust will benefit from this shift. Illustrated with modern energy politics, this pendulum effect worked as follows:

- The public reputation of nuclear firms has been tarnished for a long time but ultimately dwindled down after they had pressured politicians to obtain a lifetime extension but then were hit by the Fukushima disaster, which made politicians react more extreme to avoid electoral punishment for their previous collaboration with the nuclear lobby. If nuclear firms had exerted less pressure on politicians in the first place, they still would have attained the lifetime extension – given the programmatic objectives of incumbent parties – but would have maintained their trust and thus their influence – even after Fukushima.
- Turning to renewables promotion, the tipping point of the pendulum was the sharp increase of the renewables levy in 2012 resulting from an uncontrolled boom of photovoltaic capacity build-up, which demonstrated quite plainly the need for a qualitative system integration of renewables beyond their sheer quantitative expansion, and undermined the trust in the solar industry that was blamed for providing (intentionally) flawed forecasts on capacity growth, making excessive profits at the expense of electricity costumers, having lobbied supportive politicians too much and working against the actual goal of policymakers to better control the growth of photovoltaic capacity. In consequence, the solar branch lost its previously outstanding influence and had no choice but to accept severe retrenchments in feed-in tariffs, with the final result that photovoltaic growth even dropped much below the actual political growth target – the pendulum stroke back all the stronger.
- Regarding the failure of CCS, irreparable communication errors committed by the RWE energy corporation during the planning process of the first CCS storage site destroyed local acceptance right from the beginning and made favorable CCS legislation politically unfeasible. If RWE had better taken care for public acceptance and avoid head-on clashes with regional politicians, the company would have alleviated the emergence of strong citizens' resistance that eventually defeated CCS.
- In emissions trading, the big electricity utilities have lobbied for the distribution of allowances entirely free of charge, in order to avoid politically undesired increases in electricity prices. However, they still raised electricity prices with reference to opportunity costs and made tremendous profits at the expense of electricity consumers – unexpected by policymakers and industrial electricity consumers alike, since the free distribution was deliberately designed to avoid increases in electricity prices. This exploitative behavior harmed their credibility and legitimacy, and diminished their influence in subsequent reforms where the electricity sector was made subject to compulsory auctioning and restrictive emission limits.

The key role of trust has consequences for successful coalition building: When interest groups are capable to form alliances that link trust with conflict capacity, i.e. economic power in terms of jobs, investments etc., they will be most assertive. The broader an advocacy

coalition is able to link these two spheres, the more will it be recognized in policy choice. This is to the disadvantage of economic groups who fail to frame their interest as being in line with the common good. Looking at the *Energiewende*, the environmental coalition was marked by a broad and heterogeneous alliance of economic and idealistic interest groups, whereas the economic coalition only consisted of the old energy suppliers and energy-intensive industries. The remarkable story of CCS bluntly reveals that the collaboration of local protesters, farmers, renewables industry, water suppliers and environmental associations can build up resistance to such an extent that politicians felt pressured to ban CCS.

The Greening of Path Dependence

Path dependence approaches predict that fundamental policy change is unlikely and occurs only in the aftermath of external shocks or in piecemeal, incremental pace. However, also moderate policy reforms can set a deviant path dependence into motion, accumulate over time and lead to fundamental policy change even though the old path may have appeared stable. This mode of fundamental policy change through "layering" (Thelen, 1999; 2003; 2004) is striking in the light of the *Energiewende* but has remained underexposed in previous research, although actually consistent with the concept of path dependence. Policymakers can strategically use layering to start new path dependence and rely upon the self lock-in effect of the new path once embarked (Aklin & Urpelainen, 2013).

With its non-disruptive reforms, the SPD/Green government has turned away from the fossil-nuclear path and induced the gradual yet steadily self-reinforcing *Green Path Dependence*. The reforms triggered positive feedback and self lock-in effects that came into play through three partially interlinked mechanisms:

(1) Shift in Economic Power: The growth of renewable energies brought the renewables industry out from their negligible niche, as contributing an increasing share to electricity production and creating a rising number of jobs. New industrial settlements emerged across the country. Also unions and business associations with stakes in the renewables branch now became partially protective of the new path. Economic power gradually shifted towards the renewables sector. The renewables movement advanced from an ideals-driven "hobby lobby" to a professional lobby with economic threat potential.

(2) Shift in the Electorate: The dynamic development of renewables also impacted the electorate. As homeowners and farmers started operating their own solar roof installations, wind power plants, wood heating systems and biogas facilities, they turned into beneficiaries of renewables promotion and henceforth opposed any retrenchments. Also industrial workers, such as in the metal industry for wind power plants or in the solar industry, became

inclined to renewables promotion, affecting the classic social-democratic constituency. Renewable energy was not only an idealistic belief anymore but also a genuine economic interest; hence, any rollback in energy policy would not only harm the environment but create clearly identifiable losers. As becoming energy producers themselves, also the belief of more and more voters in nuclear power weakened. Nuclear energy gradually lost its status as deep core belief also among the conservative electorate and turned into an instrument that must serve the better management of the energy transition towards the renewables era.

(3) Shift in Veto Players' Positioning: With the shifts in economic power and in their electorate, the same veto players that protected the old fossil-nuclear status quo ante now shield the energy transformation against retrograde steps:

(a) State governments with stakes in renewables – such as East Germany with its solar industry settlements, North German states with wind power or Southern states with biomass and hydropower – used intra-party channels as well as the Bundesrat to claim the recognition of their regional interests, quite independent from varying party composition.

(b) Members of parliament advocated the specific interests of their electoral district, irrespective of their functional responsibility or party affiliation: parliamentarians from agricultural regions advocated for biomass, parliamentarians from wind-intensive regions advocated for wind power etc. This protected renewables against severe retrenchments, as any governmental proposal needed to withstand parliamentary deliberation.

(c) The constitutional court protected the new status quo against ex-post interventions, given the property rights of system operators, making retroactive cutbacks unfeasible. In the same way the legislator had to observe constitutional law in the formation of the nuclear consensus to avoid compensation claims, it now must observe the very same constitutional law to avoid setbacks in the courts brought by renewables advocates.

(d) Not least, the transfer of leading responsibility for renewables policy from the economic ministry to the environmental ministry in 2002, pressed for by the Greens, changed a key political arena from a venue hostile towards renewables to a venue supportive towards renewables, and in this way reinforced the new path.

Once a new policy is created, subsequent governments cannot simply ignore the policy heritage and perform a rollback. The green path dependence towards the epoch of renewables has been reinforced by moderate and seemingly incremental yet gradually accumulating reforms. The new path dependence ultimately also impacted the established energy branch: Facing an increasingly hostile environment, also large electricity utilities lately started to invest in renewable energies – most strikingly the strategic decision performed by the energy corporation E.ON in 2014 to split off the nuclear and coal business and redirect the company towards renewables and services, hand in hand with Vattenfall's strategic

review to sell the lignite mining operation in Germany and to shift the production portfolio towards renewables (E.ON, 2014; Vattenfall, 2015). Not even nuclear and coal firms want nuclear and coal back.

As mentioned above, external shocks in the form of nuclear catastrophes or other focusing events have been absent when the SPD/Green government initiated the energy transformation, neither were they necessary to cause further reforms. The 2011 nuclear meltdown in Fukushima only accelerated a policy change that was already underway but it did not serve as the original driver. The effect of external shocks must be put into context with changes in the policy subsystem, which accumulate and finally materialize when a window of opportunity opens and is exploited by political entrepreneurs to circumvent resistance and pick up reshuffled majorities.

The *Energiewende* has become politically irreversible by now. Formerly fierce opponents of renewables have adjusted to the new path and adopted new positions that may modify or decelerate but not stop the energy transformation. The goals and direction of the *Energiewende* have become political consent; only the management ("how") and the timeline ("how fast") are still controversial. "The goals of the *Energiewende* are consensus; now we talk about implementation", as Hildegard Müller (2012), chairwoman of the Federal Association of German Energy Industry (BDEW), clearly put it.

Rethinking the Veto: Issue Dualism, Veto Inconsistency, and Veto Avoidance

Veto approaches deal with the constitutional features and political majorities of political arenas where a proposal can be stopped.[7] Although they delivered many fruitful contributions, veto player and veto point approaches alike spuriously assume that political parties in government and chambers of parliament are like monolithic blocks with a homogeneous position. This supposition underplays the high level of inconsistency of preference formation in political parties, as they are constantly exposed to 1) ongoing compromise building between intra-party factions, 2) severe differences between state associations despite identical party affiliation, and 3) erratic shifts resulting from bottom-up decision-making processes, and 4) the distribution of ministerial tasks in government. These pitfalls make preference formation much more ambiguous and inconsistent than veto theories assume.

The antagonism between intra-party factions between environmental and economic politicians across all parties and their parliamentary groups feature a decisive conflict pattern. The divide does not run between the parties but within the parties.[8] Economic politicians across parties have often pursued similar beliefs and positions, and the same holds

analogously for environmental politicians. The divide between the camps *within* a party or parliamentary group can prove deeper than *between* political parties, resulting in the need of tedious intra-party compromise building.[9] The notion of homogeneous veto points or (partisan) veto players as homogeneous units is therefore problematic.

By the same token, also the party affiliation of a state government is only a noisy indicator for its position, since a state's specific regional interests often do not match with the party's programmatic goals at national level. For instance, a state government with stakes in coal is disposed to defend coal-fired electricity generation, whereas the federal government might prefer renewables, despite congruent party affiliation. Moreover, party positions are always the result of ongoing decision-making processes where position changes incrementally develop over time until they finally culminate in a position change that might seem more radical than they actually are.

Similarly, also the government per se cannot be conceptualized as a homogeneous entity. It is not "the government" that seeks to enact policy change but it is sub-entities within the government that seek to do so. The internal structure of government impacts the policy result. Every ministry follows a specific, inherent institutional logic of policy preferences, relatively independent from the party affiliation of the minister. The economics minister is structurally inclined to favor the interests of the fossil-nuclear lobby, whereas the environmental ministry structurally tends to favor the interests of the renewables lobby and environmental groups, to a large extent regardless of party affiliation. The environmental ministry prioritizes environmental goals and collaborates with environmental groups and renewables industry, whereas the economics ministry prioritizes economic goals such as financial costs and collaborates with conventional energy suppliers and industry. The communication patterns are clear, too: The environmental ministry warns against ecological disasters such as global warming, whereas the economics ministry warns against de-industrialization as the result of prohibitive regulation. This dualism also has effects on party positioning, due to intra-party compromise formation and the needs of political communication: The party cannot blame the own minister – as this would harm their image in public and alienate voters – but must defend him against the opposition and the coalition partner, dismissing intra-party critics into the barrier of party loyalty. This pattern holds independent from the party affiliation of the ministers in office; the ministers only play the role that the institutional setting assigns to them. This involves consequences for the concept of partisan veto players in government, as well: The behavior of politicians in government depends not only from their party affiliation but by the institutional role they must play.

For instance, in the recent debates about the solar tariffs, the environmental minister wanted to maintain the solar promotion to ensure climate protection goals and save the domestic solar industry, whereas economics minister and wanted to almost abolish it in order to

reduce the financial costs of renewables promotion and save Germany as a favorable industrial location. Hence it is vital which ministry is assigned with leading responsibility for policy formulation. This logic of ministerial politics has proven as decisive conflict pattern, impacting the party's position as well.

The same arena effect holds for the committees in parliament: The environmental committee in the Bundestag is more likely to defend environmental interests than the economic committee, no matter which party holds the majority there. Moreover, the Bundestag is overall more accessible to diffuse interests than the government, while the Bundesrat is more attentive to the regional interests represented by state governments, again regardless of party affiliation. Both chambers have regularly made modifications to law proposals to the benefit of the renewables industry or environmental groups, or even stopped advancements that benefited the fossil industry.

This logic of veto inconsistency contributes to a better understanding of policymaking. If the programmatic goals of the ruling majority at a veto point are congruent with the economic (or: environmental) advocacy coalition, policy choice is usually expected to favor the interests of economic (or: environmental) interest groups. However, as *table 4* on the next page illustrates, the set of winners and losers sometimes does not match with the actual programmatic objectives of the ruling majorities at veto points; these reforms are of particular interests, since they demonstrate that there must be certain conditions that force politicians to act against their programmatic objectives.

Table 4: Veto Points and Winning Coalitions

observation	*policy result favored…*	*party majority in government*	*party majority in Bundestag*	*party majority in Bundesrat*
2002 nuclear consensus	ENVI	ENVI	ENVI	ENVI – closed
2005-2009 gridlock	n/a	mixed	mixed	mixed – closed
2010 lifetime extension	ECON	ECON	ECON	mixed – closed [1)]
2011 nuclear exit	ENVI	ECON	ECON	ENVI – open
2000 EEG	ENVI	ENVI	ENVI	mixed – open
2004 EEG	ENVI	ENVI	ENVI	mixed – closed
2009 EEG	ENVI	ENVI [2)]	ENVI [2)]	mixed – closed
2010 Photovoltaic Act	ENVI	ECON	ECON	ECON – closed
2012 EEG	ENVI	ECON	ECON	ENVI – closed
2012 Photovoltaic Act	ECON	ECON	ECON	ENVI – closed
2009 CCS Act failure	ENVI	ECON	ECON	ECON – open
2011 CCS Act failure	ENVI	ECON	ECON	mixed – open
2012 "Non-CCS Act"	ENVI	ECON	ECON	mixed – open
1st trading period	ECON	ENVI [3)]	ENVI [3)]	ECON – open
2nd trading period	ENVI	mixed	mixed	mixed – closed
3rd trading period [4)]	indefinite	ECON	ECON	ECON – closed

Notes: [1)] need for approval controversial. [2)] CDU/CSU/SPD. The CDU/CSU, in spite of her pro-nuclear and pro-coal course, by then had also clearly committed to the feed-in tariff system. [3)] SPD/Greens. The SPD had indistinct programmatic objectives and the Greens committed to an environmentally ambitious emissions trading system. [4)] Decision-making was shifted to EU level. – Bundesrat defined as closed if law was not subject to approval or if party majorities were congruent in Bundestag and Bundesrat. *Source:* own table.

When the Bundesrat's consent is mandatory and the Bundesrat can veto a law, then states become more relevant and the potential influence of interest groups with regional roots increases, in accordance with veto point analysis (see also Immergut & Orlowski, 2011, pp. 64-65). With the structural shift in societal and intra-party power constellations and the strengthening of the intra-party environmental wing associated therewith, veto points now favor environmental interest groups. As the most striking example, the CCS Act failed twice due to the resistance of state governments, regardless of congruent party compositions in government on state and federal level. Also in the field of renewables policy, the states assumed influence. As the original Renewables Energy Sources Act in 2000 required the approval of the Bundesrat, at the time dominated by the opposition, the states threatened to stop the law. Only through skillful majority management by environmental politicians and the persuasion by domestic industrial firms with a solar manufacturing division, one CDU state government deviated from the party line and made the new promotion regime possible. Looking at the PV Act 2012, the Bundesrat vetoed the law with a 2/3 majority across political parties and enforced a compromise in the mediation committee, with the state governments protecting their regional solar industry, craft sector and solar system operators. The Bundesrat advances the special interests of the states beyond party politics and has significant impact on the legislative output. When the Bundesrat becomes potentially activated, interest groups are strengthened as they can exploit an additional veto point, and their lobbying efforts shift to the states level.

The government applies strategies of veto avoidance. When congruent party majorities in the Bundesrat are absent, the federal government seeks to design legislation in a fashion that does not require approval or at least has better chances for approval. The Renewables Energy Sources Act in 2000, for instance, only became subject to mandatory approval due to a sloppy mistake in law formulation, whereas parliamentarians had consciously intended to design the law in a manner that would enable them to circumvent the Bundesrat. Regarding the introduction of emissions trading, the government deliberately sought to split legislation in several parts whereof some parts did not need the Bundesrat's consent. In the nuclear lifetime extension in 2010, the government argued that the states' approval was not necessary, whereas the opposition, which dominated the Bundesrat at the time, argued that consent was mandatory and filed a constitutional complaint to claim participation.

The strategy of veto avoidance holds for the constitutional court analogously. The government seeks to make legislation "constitutional court proof", i.e. to deliberately control if courts can come in or not and therewith get their laws through judicial review. If they fail to do so, either dissatisfied interest groups or opposition parties will attempt to challenge the legislation in the courts, either to obtain concessions or to completely defeat the law. This is best observable in nuclear politics: The original nuclear consensus was forged in tedious

negotiations between government and plant operators, given the operational licenses of plant operators protected by the constitutional property right. In the case of a unilateral approach of the government, nuclear firms could have challenged the law in court and claim multi-billion compensation. Also the lifetime extension was amended by a side agreement wherein plant operators pledged not to attack the new fiscal levies in the courts – what they only did after the withdrawal of the lifetime extension in 2011. Then, they also tried to attack the legally enforced shutdown of their plants. The government sought to shield the phase-out regime against legal challenges through setting the pace similar to the initial nuclear consensus and, second, through creating legitimacy by a non-partisan expert commission that should re-evaluate the ethical and societal acceptability of nuclear risks. The constitutional court thus plays an important role, as the government must address legal concerns in policy choice to prevent adversary interest groups or opposition parties to bring down the law in court. If the government fears legal disputes, judicial review turns into a potentially active veto point that interest groups can exploit.

The Limits of Lobbying

Lobbyism is often portrayed as the domain of collusion, conspiracy and connivance, but politics is not (only) steered by professional lobbyists or by "big industry". The logics of political competition have profoundly changed over the last three decades and transformed political opportunity structures: First, trust has become the key resource for interest groups' success. The old fossil-nuclear energy industry, however, lacks recognition as trustworthy political partner, which seriously weakens her lobby power. Second, the Grand Coalition State has gone green: All parties have shifted their positions away from nuclear power and coal and towards renewables. The Greens advanced to a recognized coalition partner, whereas the fossil-nuclear FDP has disappeared from the political stage, which impacts the energy policy of major parties resulting from coalition building strategies. Third, the country has embarked on a new green path dependence towards renewables, strengthened by apparently small but gradually accumulating reforms, which places structural hurdles barring the way back to the abandoned fossil-nuclear path. Fourth and finally, the struggle between the environmental and economic intra-party factions has triggered issue dualism, leading to inconsistent party positioning. Allegedly powerful lobbyists are often less powerful than they may appear, because the political opportunity structures restrain, distort and structure their influence and create limits of lobbying.

Remarks

[1] Indeed quite baffling is the fact that literature nobel laureate Günter Grass, in his speech before the SPD parliamentary group on 11 January 2008, demanded a ban for all lobbyists on entering the parliament and – in the very same speech just shortly thereafter – put forward improvements of copyright laws and asked for talks of parliamentarians with representatives of licensing and collecting societies. The newspaper DIE ZEIT that published Grass' speech, for any reason, omitted this part of the speech in the print version. The actual full text is available for download under http://www.marco-buelow.de/uploads/media/Rede_Guenter_Grass_08-01-11.pdf (rev. 11/12/2014).

[2] Quotes from non-English texts are translated by the author.

[3] The German Federal Association of the Solar Industry (BSW) was founded only in 2006. Beforehand, four small predecessor organizations tried to promote solar energy – with little success until 1999/2000 when the first socialdemocratic-green coalition in federal government introduced substantial feed-in tariffs.

[4] Before the CDU/CSU's nuclear policy change in 2011, the Greens objected a coalition with the CDU/CSU with reference to irreconcilable and fundamental disagreements in nuclear policy. Just after the accelerated nuclear phase-out, both parties sent signals of mutual rapprochement (Die Welt, 7.9.2010; 27.4.2014; dpa, 3.4.2011; Kotting-Uhl, 2010).

[5] I build upon similar work by Abou-Chadi (2014).

[6] I build upon the concept of activation of public opinion developed by Howard (2010).

[7] For a more thorough elaboration of and distinction between veto players and veto points, see chapter 3.

[8] As CSU parliamentarian and environmental politician Josef Göppel put it into blunt words: „Die Grenze verläuft hier nicht zwischen den Parteien, sondern innerhalb der Parteien." Cited in Tillack, 2015, p. 218

[9] Besides energy politics, this logic also holds for other policy fields, such as internet politics where all responsible internet politicians from all parties in parliament share very similar beliefs and ideas, whereas specialized politicians concerned with interior policy form the opponent camp across political parties.