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Biofuels Policy Design and External Implementation Challenges

Introduction

The era of globalisation, as elucidated in Chapter 6, is characterised by widespread claims of a spatial transformation of governance from national to international and transnational scales. This chapter examines biofuels policy-making in these multi-scalar terms, examining the intersection of domestic policy processes and the international arena in the implementation of biofuels policy. We argue that whilst none of the three cases of biofuels policy processes in this book can be presented as operating exclusively within their respective national boundaries, biofuels policy in the EU, US and Brazil is an important example of the constraining power of domestic policy designs manifest even across multi-scalar policy-making structures.

The chapter first introduces the idea of policy layering in domestic design as a means of insulating policy implementation against unexpected effects from the international policy-making arena. Next we draw on the evidence presented earlier about the implementation of the EU, US and Brazilian biofuels policies, to explore this argument. The main domestic policy drivers in all three cases behind the major biofuels policy reforms – energy security, rural development and climate change mitigation – are discussed in terms of policy layers. These are cases of major energy policy reform in an open economy sector that stand analytically for policy design against ‘outside-in’ linkages. In essence, domestic policy designs use dynamics of policy layering as a form of insulation against disruption in implementation by international level factors and developments. A final section explores how and why layering in biofuels policy design has contributed to keeping it intact, despite manifold pressures in implementation. In this chapter, we identify the
principal pressures as concern over GHG emissions (especially those triggered by indirect land-use change), and biofuels’ possible impacts on food prices and food security. In this chapter, we analyse these as sources of disruption to domestic policy. In Chapter 9, we analyse ILUC and food price issues in much more detail.

We start from the position that the domestic level of policy-making remains preeminent in cases of major energy policy reform. Although we find variation in the effects of the international arena of policy-making across the three cases, this is related to the nature of the domestic policy design. In particular, layering in domestic policy design that nests within a wider policy paradigm, defined in terms of the three drivers of biofuels policy introduced above, may act as insulation against international level disruption mechanisms to preserve the status quo ante: disruption of biofuels policy may require disruption of these broader goals of energy, environmental and rural/regional policies.

Biofuels as a distinctive policy design: Using layering as insulation

Coherence is highly prized in the study of public policy design. The absence of a ‘policy glue’ (May et al., 2005) holding together goals and objectives is judged evidence of a fragmented policy process and regarded as a failure of rationality in the policy design, leading in turn to implementation problems and diminished policy effectiveness. In the work of Schneider and Ingram (1997) on the symbolic elements of policy design, designs can serve to ‘signal’ the value of goals and objectives, as well as assumptions about target populations, human behaviour and the nature of the problem. From this perspective, a lack of policy coherence for a given policy area may introduce noise into the signals of the design, in particular, signals to different groups in the policy process of the importance placed by policy-makers on their causes and values.

In judging the desirability of coherence in policy design, it is useful to consider the relationship between coherence and the stability of any policy design. Coherence is an equilibrium concept, and the equilibrium in any policy design might be stable or unstable. There is no necessary relationship between coherence and the stability of a policy design; this section develops the proposition that in some contexts and under certain conditions, incoherence in policy design does not undermine policy stability. Policy layering is a mechanism which provides protective insulation for the policy design in its implementation. The domestic