

Conditions for instrument change in environmental policy

- **An analytical framework and the case of**
- **the German ecological tax reform**

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Although many studies have been dedicated to the choice of policy-instruments, little general theoretical insight has been generated as to the question why a specific instrument and not another one is chosen and how instrument change can be facilitated. On the one hand public choice theory which understands the policy process as interest-driven explains instrument choice as the result of the well defined rational interests of key actors of the policy process. On the other hand more technocratic approaches which understand public policy as rational problem-solving process emphasize instrument choice as a logic answer to the question which instrument suits best the demands of the policy problem. In this approach politicians are able to choose the best instrument from their - in principle - unlimited tool box. Against the background of the German environmental tax debate my paper wants to show that both of these approaches are not able to explain the empirical phenomenon of environmental policy instrument change during the last years adequately since (1) although there have been strong interest groups lobbying against eco-taxation in Germany as well as in many other European countries ecological taxes have been applied which is difficult to be explained by referring only to public choice. (2) The ecological tax reform seems not to represent environmental economic textbook's rationality so also the technocratic approach is not able to explain this instrument choice adequately. As an alternative I propose a dynamic analytical framework based on modern approaches of public policy analysis which consists of (1) the underlying institutional settings (2) emerging discourses about special instrumental "philosophies" (3) the political problem structure and its resulting distributional conflicts (4) the feasibility of policy-learning and (5) the role of policy entrepreneurs in the policy process as agents of change. This analytical framework aims at explaining the dynamics between policy change and policy persistence better than classic approaches and shows the difficulties of applying environmental economic knowledge into political practice. The usefulness and the empirical characteristics of the aspects of the suggested analytical framework are demonstrated against the long road to eco taxation in Germany. The paper aims at offering a more elaborated model on the conditions under which economic environmental policy instruments are being applied to the scholarly debate and to political practitioners.

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