



# SOCIAL BARRIERS TO IMPLEMENTING CLIMATE POLICY MEASURES

---

*Alexandra Quandt, EPFL Research Lab on the Economics and Management of the Environment,*

*Swiss Federal Institute of Technology, Lausanne<sup>1</sup>*

## **Abstract**

The influence of firms on the elaboration of climate policy in a democratic system is quite controversial. Firms do not form a solid bloc of opponents to environmental regulation. Some firms even expect to gain from such regulation, either because they offer goods and services that will allow other firms to comply with the regulation or because they are in a better position to comply than their competitors. As a result, the detailed features of climate policy are more important than the general thrust. Firms and industry associations could try to influence those features rather than oppose the policy upfront. Building on the literature on interest group influence, this paper contributes to the issues of acceptability and effective implementation of climate policy measures. The paper investigates how the positions of the Swiss business community are transmitted into the decision making process of the Swiss CO<sub>2</sub> law. Data for the empirical analysis are drawn from the two consultations on the Swiss CO<sub>2</sub> law and the word protocols of the Swiss Parliament.

## **1. Introduction**

In Switzerland, interest associations traditionally play a very powerful role in the political decision making process. Until the 1990s, Switzerland has often been considered as paradigmatic case of democratic corporatism consisting of three elements: First, a centralized and concerted system of

---

<sup>1</sup> This paper has been written on behalf of the CCES-funded project ClimPol (Climate policy making for enhanced technological and institutional innovation): <http://www.cces.ethz.ch/projects/clench/CLIMPOL>

interest associations; second, voluntary and informal coordination of the various interests in continuous political negotiations between associations, political parties, and public administration; and third, an ideology favouring social partnership. Switzerland has been considered as liberal democratic corporatism where power was asymmetrically distributed between a dominant business community and a rather weak labour movement (Katzenstein 1984). Highly organized business interest groups were involved in the decision making process at the federal level, given the decentralized State and the weakness of political parties at the national level. However, since the 1990s, corporatism, where non-market mechanisms play a major role, is on decline in Switzerland. According to recent studies, the dynamic of globalization and Europeanization calls into question the traditional role of business interests associations among economic and administrative elites (David, Mach et al. 2009). Generally speaking, Europeanization, mediatization, increased internal economic competition, and institutional-administrative reforms have important effects on preferences and strength of political actors in Switzerland (Fischer, Fischer et al. 2009). Over the last two decades, private self-regulation has incrementally been formalized and replaced by more specific governmental regulation due to changes in international context, shifting preferences of important economic actors, and the emergence of new actors (Mach, Schnyder et al. 2007). Over the last two decades, the Swiss political landscape has become more pluralist, weakening the relative power of peak business associations. Nowadays, new social demands and interests, e.g. consumer and environmental issues, challenge the homogeneity and legitimacy of peak organizations and thus their bargaining power. Moreover, increasing media coverage tends to open up the traditionally confidential and selective sphere of corporatist negotiation and weakens the partners' ability to reach agreement (Häusermann, Mach et al. 2004). However, elites do still matter in Switzerland. Though the number of referenda has been increasing in the 1990's, the Swiss elite is still powerful (Trechsel and Sciarini 1998). Interest group influence depends on institutional factors (logic of access), group-specific factors (reputation), and issue-specific factors (level of conflict), (Traber 2010). Both, participation and reputation have a considerable impact on actors' ability to influence policy outputs. Complex bargaining in the pre-parliamentary phase favours groups that dispose of large financial resources and strong network ties with political parties, while minority interests are generally marginalized. The Swiss political system is dominated by a narrow core of closely linked individuals and organizations, mainly the center right parties and business peak associations (Kriesi 1980). Interest groups are confronted with two different kinds of logic: the logic of influence linking associations with the political and administrative world; and the logic of membership interlocking directorates network (Kriesi 1998).

This work analyses the logic of influence for the case of Swiss climate policy. Our aim is to understand the social barriers that are impeding the implementation of effective climate policy and measures. Therefore, we want to measure the influence of the Swiss elite on the decision making process of the Swiss CO<sub>2</sub> law being implemented between 1994 and 2000.

First, proposals for a law on the reduction of greenhouse gas emissions were initiated by members of the Swiss Parliament in the 1980's and the subsequent public initiative 'Energy and Environment' in 1995. As response to these national initiatives and the UN Framework Convention on Climate Change, the Swiss Federal Council drafted the first 'Strategy on the reduction of CO<sub>2</sub> emissions' in 1995, being approved by the Swiss Parliament. Consequently, the administration was assigned with elaborating the law for a tax on CO<sub>2</sub> emissions. The first draft of the law proposed a climate levy on heating and transport fuels which would increase step-wise from 12 CHF in 1996 to 36 CHF / t CO<sub>2</sub> in the year 2000. Energy-intensive producers could be exempted from it. One third of the tax revenues would have to be spent for subsidies. The remaining two thirds would be reallocated to the households and firms via health insurance. In the first public consultation, 1994, the project was strongly opposed by the major political parties and business associations criticizing the redistributive character of the tax (Baranzini, Thalmann et al. 2004; Thalmann and Baranzini 2008).

The second proposal formulates specific reduction targets for CO<sub>2</sub> emissions (10% by 2010) with two sub-targets for heating fuels (15%) and for transport fuels (5%). In contrast to the first proposal, it allowed for voluntary approaches as they were promoted by the private sector and foreign compensation of emissions. This second proposal had been approved by political parties and large parts of business in the second consultation in 1997 (EDI 1997). On the 17<sup>th</sup> of March 1997, the Federal Council published its message on the CO<sub>2</sub> law to the Swiss Parliament. The two chambers of the Parliament, the National Council and the Council of States, adopted the proposal with large majorities on the 8<sup>th</sup> of October 1999. During the plebiscitary phase, from October 1999 until February 2000, no referendum was taken by the Swiss public. Consequently, on the 1<sup>st</sup> of May 2000, the CO<sub>2</sub> law entered into force. The law stipulates the reduction target of 10% CO<sub>2</sub> emissions by 2010, compared with the 1990 level. The target should be achieved by voluntary measures with the possibility of introducing a subsidiary tax on fossil fuels if the target could not be reached.

The analysis aims at answering the following research questions:

- *What arguments stemming from the business community are prevalent in the parliamentary discourse?*
- *Which business interest associations are considered in the parliamentary discourse?*

This paper analyzes, which business associations are considered by policy makers, and how the arguments of the business community are transmitted into the parliamentary discourse on the CO<sub>2</sub> law. The idea is to link members of the Swiss parliament with interest groups of the business community by comparing their discourse and thus identifying similarities. Moreover, we want to trace the most popular propositions of the business community in the political discourse in order to assess their influence on the legislative decision process. The analysis gives insights into the representation of business associations in the political decision process and their relative power. We assume that peak business associations and well established industries are more considered in the political discourse than newly emerging industries.

This paper is structured as follows: The next section briefly introduces the method and the data employed for the analysis. The third section presents the results of the analysis starting with the discourse of the business elite that has been analyzed in the consultations on the CO<sub>2</sub> law. Based on that, the discourses of the two chambers of the Swiss Parliament and the corresponding environmental commissions are analyzed. The final section concludes.

## **2. Method and data**

The method used for this analysis is qualitative content analysis of the discourse on the Swiss CO<sub>2</sub> law. The idea is to match the arguments formulated by the Swiss business community with the parliamentary discourse in order to measure private actors' influence on the political decision process. This qualitative content analysis, as suggested by Mayring (Mayring 2007), combines inductive and deductive elements. First, arguments and metaphors of the business community were derived inductively by qualitative content analysis of the position papers of Swiss firms and business associations. They are summarized in code families (see section 3.1). Second, we searched the derived codes deductively in the word protocols of the Swiss Parliament. We focus on the debates in both chambers of the parliament, the National Council and the Council of States, and the two corresponding parliamentary commissions on

the environment, UREK-N and UREK-S. The protocols were coded with the software package Atlas.ti. We identify 39 different codes in five code families that are discussed in the next section.

The data consists of three different data sources: First, the positions of the Swiss business community as they were formulated in the two consultations on the Swiss CO<sub>2</sub> law in 1994 and 1997. The documents on the consultation were provided by the Swiss Federal Environment Agency (BAFU). Second, the protocols of the environmental commissions of the two chambers were provided by the legal services of the Swiss Parliament. Both documentations are not public but available for research.<sup>2</sup> Third, the word protocols of the Swiss Parliament are publicly available in the online database 'Curia Vista' on the webpage of the Swiss Parliament.<sup>3</sup>

### 3. Results

One fundamental component of successfully influencing the political decision process is to shape the political discourse. Besides knowledge and financial resources, an essential part of interest group strategy is to define central terms that are reducing complexity and give orientation (Prittwitz, Wegrich et al. 1994). This section presents the most common terms and metaphors employed in the context of Swiss climate policy.

#### 3.1 Results of the consultation on the Swiss CO<sub>2</sub> law

Switzerland is a consensus democracy. As a feature of direct democracy, the potential threat of referendum for each policy proposal requires policy makers to develop politically acceptable solutions. Therefore, dialogue between politicians, administration, the public, and interest associations is perceived as essential during the whole policy cycle. This allows for a high level of communication between business interest associations, policy makers, and the administration. The formal procedure for stakeholder dialogue is the consultation on a legislative proposal, which is usually put into place if consensus is unlikely. Two consultations were carried out for the CO<sub>2</sub> law in the years 1994 and 1997. During a consultation, the administration invites all stakeholders to express their opinion: the cantons, political parties, and associations representing the interests of the economy and the civil society; e.g.,

---

<sup>2</sup> However, it is forbidden to name or cite from these documents. All citations of section 3.2 are drawn from the publicly available protocols of the parliamentary debates in the National and the Council of States.

<sup>3</sup> <http://www.parlament.ch/d/dokumentation/curia-vista/Seiten/default.aspx>

employers' and employees' associations, transport and energy associations, consumers' and environmental associations, among others. Sometimes, representatives from science, religious groups, and individual firms make use of the consultation procedure for expressing opinions and making suggestions.

Switzerland has five peak business interest associations: the Swiss Union of Trade and Industry (economiesuisse), the Swiss Employer's Union (UPS), the Swiss Bankers' Association (ASB), the Swiss Crafts and Trade association (USAM), and the Swiss Farmers' association (USP). Our focus is on the most important representatives of the Swiss business community that have a stake in climate legislation, i.e. the economic peak organization economiesuisse, the Employers' Union, the Crafts and Trade association, the association of heavy industries (Swissmem), and the Farmers' Association. Moreover, the oil industry, energy associations, road transport associations and large individual firms are considered for discourse analysis (see Table 3).

This is a brief summary of frequently used arguments and metaphors developed by the business community in the public consultation on the Swiss CO<sub>2</sub> law:

*1) Effects on competition, cost effectiveness and harmonization with international climate policy*

The most important argument employed by business representatives is the conflict between economic growth and environmental protection. Swiss firms fear competitive disadvantage if Swiss climate legislation was not harmonized with international and European climate policy. Therefore, the business community opposes unilateral action ("*Alleingang*") and calls for harmonization with foreign climate policies. Policies and measures should be cost efficient and allow for foreign compensation of carbon emissions. Moreover, international sectoral agreements for the heavy industries are promoted by peak business associations.

*2) Subsidiarity principle and voluntary measures*

Switzerland has a long tradition of voluntary measures in policy making. The subsidiarity principle privileges voluntary approaches in lieu of mandatory regulation. According to the subsidiarity principle, the government should only intervene if business associations lack the power to regulate themselves (Linder 2005). The Swiss liberalist tradition, the autonomy of the cantons, and consequently, the high degree of decentralization of the Swiss federal system are major reasons for the success of the

subsidiarity principle.<sup>4</sup> Self-regulation is a prominent feature of private governance replacing state regulation. Accordingly, Swiss peak business associations call primarily for voluntary measures.

### 3) *Distributional considerations*

In general, business associations object to taxes because of their redistributive effect. The CO<sub>2</sub> levy has been criticized for the distributional effects between labour intensive and energy intensive industries while redistributing the tax revenue to the Swiss labour force via health insurance premiums. Primary targets are the minimization of public budget ("*Staatsquote*") and no earmarking of taxes ("*Teilzweckbindung*"). The climate levy ("*Lenkungsabgabe*") is only acceptable to business as long as it is revenue neutral and does not cause income redistribution. In general, the state budget should be minimized according to the liberalist Swiss tradition. Some associations even doubted the constitutional validity ("*Verfassungsgrundlage*") of the CO<sub>2</sub> law. The main argument for this claim is the support of poor regions, e.g. the Alpine regions, that have to rely on road transport; or protection of energy-intensive industrial sectors ('blue collar') that would otherwise finance the labour-intensive financial sector ('white collar'). Another common argument is that the Swiss Confederation would suffer revenue losses on its fuel taxes if there was a carbon tax on fuels particularly in the elastic demand of non-residents ("*Tanktourismus*").

### 4) *Climate skeptics*

Critics of climate policy usually emphasize Switzerland's marginal contribution of only 0.02% to global greenhouse gas emissions. The low level of greenhouse gas emissions per capita (6t CO<sub>2</sub> p.a.) would not justify expensive climate mitigation measures. Moreover, some actors doubt the scientific results and findings of the Intergovernmental Panel on Climate Change (IPCC). In early discussions, the case of climate change is sometimes compared with the debate on forests dieback from acid rain ("*Waldsterben*") in the 1980's, when the predictions of scientists proved not to become true. According to climate skeptics, this experience would justify doubt about the scientific predictions on climate change and its impacts.

---

<sup>4</sup> Scholars argue that the Swiss political system suffers from weak political parties and dominant interest associations complementing the minimal legal framework by private governance due to 'lax legal rules' Mach, A., G. Schnyder, et al. (2007). "Transformations of self-regulation and new public regulations in the field of Swiss corporate governance (1985-2002)." *World Political Science Review* 3(2).

### 3.2 The parliamentary discourse on the CO<sub>2</sub> law

This section discusses the arguments and metaphors of the answers to the consultation in the debates of the two chambers of the Swiss Parliament and the corresponding environmental commissions (UREK-N and UREK-S). The analysis focuses in particular on the discourse of the two environmental commissions since they are primarily mandated to prepare the discussions on the text of the law and though the final decisions. Table 6 shows a selection of the codes derived from qualitative content analysis and displays the number of occurrences for both chambers, the Council of States and the National Council. The environmental commission of the Council of States (UREK-S) consists of 13 members whereas the environmental commission of the National Council (UREK-N) has 26 members. A brief quantitative analysis shows already that the topics addressed in both chambers differed. Discourse referring to 'the economy' was coded 57 times in the National Council but 90 times in the Council of States, the smaller chamber of the Swiss Parliament. The most discussed issues in the Council of States were acceptability for the economy, effects on competitiveness, the subsidiarity principle, voluntary measures, and the likely reactions of business interest groups. In contrast, the National Council held a big discussion on the integration of air transport and other greenhouse gases than CO<sub>2</sub> into the Swiss CO<sub>2</sub> law. Further topics addressed in both chambers were distributional considerations, the effort sharing between transport and heating fuels, and international climate policy, among others.

Table 6 lists a selection of the codes that were derived inductively from the analysis of the parliamentary protocols. The codes are structured in code families according to the arguments of the business community discussed in section 3.1:

- 1) *Effects on competition, cost effectiveness and harmonization with international climate policy* comprises the codes 'economy', 'competitiveness', and 'unilateral action'. This code family summarizes quotations dealing with competition issues raised by the law and unilateral action.
- 2) *Subsidiarity and voluntary measures* consists of the codes 'subsidiarity' and 'voluntary measures'. This code family deals with quotations on the subsidiarity principle and voluntary approaches related to the Swiss economy.
- 3) *Distributional considerations* consists of the codes 'redistribution', 'less state intervention' and 'Tanktourismus'. This code family summarizes arguments on the redistributive character of a CO<sub>2</sub> tax and objections on increasing state intervention.
- 4) *Climate skeptics* includes the codes 'climate skeptics', '0.2%' and 'forest dieback'. This code family summarizes codes that highlight quotations from members of the parliament that



express their skepticism on the scientific results of climate change or the need for implementing a CO<sub>2</sub> law.

In addition to these four code families that were derived deductively from the discourse of the business interest associations, another code family is added inductively from the qualitative content analysis of the parliamentary discourse:

- 5) *Acceptability* consists of the codes 'economy', 'fuel price', 'referendum', and 'interest groups', including specific interest groups that were mentioned in the debate, such as *economiesuisse*, the Oil Union, the textile industry, the Swiss farmers, transport associations and the mountain regions. This code family summarizes quotations that reflect concerns on the acceptability of the CO<sub>2</sub> law by Swiss policy makers.

### 3.2.1 *The Council of States*

The Federal Council's proposal for the CO<sub>2</sub> law was first discussed in the Council of States and its environmental commission, UREK-S. Before passing to the commission of the National Council, the proposal had been discussed in three separate sessions in September and October 1997, and in February 1998 (see Annex 5.4). The commission consists of 13 members. They are members of the major political parties and linked to various different firms and business associations, e.g. the economic peak association *economiesuisse*, the Trade and Crafts Association, the Mountain Regions, the Swiss National Bank, Nestlé, Swissair, Bénoil, among others (see Table 4 in Annex 5.5). Further participants of the sessions were the Federal Minister of the environment and the directors of the Federal Energy and Environment Agencies. In the UREK-S, there was from the beginning on a considerable consensus on the implementation of the law. The main and almost only points of discussion were the sectoral sub-targets and the competency of the Federal Council to decide on the introduction of the subsidiary tax on fossil fuels.

It is noticeable that almost the whole discussion focused on the consideration of the interests of the economy in the design of the law. These included concerns about the effects of competitiveness, cost effectiveness and international harmonization. In particular the Federal Minister was emphasizing the importance of the dialogue with business representatives, the need for voluntary measures and the subsidiary nature of the law. In 8 sessions, 90 quotations were coded with reference to 'the economy', 30 referring to the 'subsidiarity principle', and 19 referring to competitiveness concerns. The Federal Minister of the environment (52%) and two members of the radical-liberal party (57% and 38%) referred

most to ‘the economy’ in their speeches. In particular, one member of the liberal party, asked in several motions for privileged access of business interest associations to the negotiations and drafting of the present law and its successors. She insisted on continued collaboration with representatives of the business community for common elaboration of future reduction targets. Moreover, there seemed to be strong consensus among the members of the commission that economic stakeholders must be involved in decision making, e.g. via public consultations and direct collaboration with the Federal Council, even before the public consultation.

*„Der Punkt betrifft das Kooperationsprinzip mit den betroffenen Kreisen, insbesondere der Wirtschaft. Auch dieses bereits in der Umweltschutzgesetzgebung verankerte Prinzip ist zu begrüßen. Es verpflichtet zu einem konsensorientierten Vollzug des Gesetzes. Das wird wohl zuweilen mühsam werden, verspricht aber Effizienz und Effektivität.“*

*Erika Forster, FDP, 28.04.1998*

The CO<sub>2</sub> law was particularly welcomed for its close cooperation with the economy and its subsidiary character allowing for voluntary measures to replace the CO<sub>2</sub> tax. The subsidiarity principle and the possibility for voluntary measures were praised almost unanimously by the members of UREK-S.

*„Die Ziele können durch den Bundesrat in Zusammenarbeit mit den betroffenen Kreisen für einzelne Bereiche der Volkswirtschaft unterschiedlich festgelegt werden. Die Abgabe wird nur bei Nichterreichung dieser Ziele erhoben und kann differenziert werden. Bei der Beurteilung der Vorlage kann man den Grundgedanken der Subsidiarität nicht genug herausstreichen [...]. Im Lichte dieser Vorschau scheint mir klar, dass die subsidiäre Konstruktion des CO<sub>2</sub>-Gesetzes die einzig richtige Übungsanlage ist.“*

*Erika Forster, FDP, 28.04.1998*

According to the administration, the current law had already been elaborated together with business representatives. This would guarantee that the target could be reached technically without harming the economy. But also members of the commission unveiled their own collaboration with business interest groups with reference to talks and discussions with business interest associations.

Concerns about the reaction of ‘the economy’ and related interest groups were pre-dominant in the discourse. Many different terms were employed for business interest groups, such as: ‘concerned circles’ (*‘betroffene Kreise’*), ‘economic circles’ (*‘Wirtschaftskreise’*), ‘groupings’ (*‘Gruppierungen’*), ‘interested bodies’ (*‘interessierte Stellen’*), ‘other circles’ (*‘andere Kreise’*), ‘different parts of the

economy' ('*verschiedene Teile der Wirtschaft*'), 'insider parties' ('*Seilschaften*'), or 'circles that will call for referendum'. Among all political parties, the members of the commission referred openly to lobbying activities of Swiss business interest groups. Studies of the Oil Union and letters that had been sent by interest associations such as *economiesuisse* or the machine industry were mentioned during the debate. Some members put emphasis on the perspective of road transport associations, the farmers or the textile industries.

Discussions on competitiveness or redistributive effects were rather short. However, members of the conservative people's party and the liberal party expressed some doubt about the redistribution of tax revenues and eventual 'subsidies' across economic sectors:

*„Bei der Rückerstattung der Mittel ist darauf zu achten, dass es nicht zu Quersubventionierungen kommt, bspw. vom Produktions- zum Dienstleistungssektor.“*

*Hans Bisig, FDP, 28.04.1998*

In contrast to the extensive debate on acceptability for the economy, discourse referring to the needs of the Swiss public or households was rare. Discourse referring to scientific results on climate policy measures was non-existent. There was just one member of the commission who pointed on the findings of climate scientists. Reactions of the Swiss public were usually discussed on behalf of rising fuel prices. For the case of transport fuels some politicians feared the road transport associations that would probably call for a referendum.

The discussion shows that, due to the features of direct democracy, the concern about the acceptability of the law is very high among politicians. The positions of the most powerful interest groups that have the necessary resources to call for a referendum are very well taken into account. The debate unveils important players in Switzerland's democratic corporatism. Moreover, the debate shows how business interest is represented directly in parliamentary decisions by the interest affiliations of the members and their corresponding actions. However, there was a broad consensus in the commission on the necessity to implement a law on the reduction of CO<sub>2</sub> emissions. No single speaker doubted the need for the law on climate change. This broad consensus shows that the largest part of the discussion between the

government and the 'concerned circles' had eventually taken place in the pre-parliamentary phase before.<sup>5</sup>

During the debates of the Council of States, mostly speakers of the environmental commission were speaking in plenary. They repeated basically their initial statements of the discussions in the commission with some minor modifications or particular emphasis on some points. As in the environmental commission, the discourse was rather pragmatic focusing on objective facts and less emotional arguments. There was no bigger discussion following the initial speeches.

### *3.2.2 The National Council*

In May and August 1998, the proposal of the Federal Council was discussed in the environmental commission of the second chamber, the National Council, UREK-N. The commission consists of 26 members representing the major political parties and various interest associations, such as the Swiss House Owners, the Energy Forum, the energy industry, oil companies and private banks (see Table 5).

In contrast to the environmental commission of the Council of States, there was a livelier and more heterogeneous discussion in the commission of the National Council. Topics addressed were the international dimension of climate policy, including the flexible mechanisms of the Kyoto Protocol and the integration of international air transport and other greenhouse gases than CO<sub>2</sub> into the law. In comparison to the discourse of UREK-S, the members of UREK-N referred still but less to the needs of the economy representing more critical voices of the social democrat and green parties. Citations referring to 'the economy' were coded 57 times in 8 sessions. In general, there was less concern about the acceptability of the law by business interest associations. In contrast to the Council of States, fewer metaphors were used for business interest groups. The members of the National Council referred either to 'the economy' or they mentioned the concerned groups directly, e.g. the road transport associations, the farmers, the mountain regions, the house owners, or the gas industry. The members of UREK-N and the National Council put more emphasis on the acceptance by the Swiss public. One obvious reason might be that the green and social democrat parties were represented with more members in UREK-N than in UREK-S.

---

<sup>5</sup> Note that two public consultations took place in 1994 and 1997 before the draft of the law was passed to the Parliament.

Regarding competitiveness concerns, the fear of unilateral action was expressed by critics of the law. One member of the commission expressed particular disagreement on Switzerland's compliance with international treaties.

Members of UREK-N referred less often and less enthusiastically to the subsidiarity principle and voluntary measures than members of UREK-S. However, the subsidiarity principle and voluntary measures were praised for making the Swiss CO<sub>2</sub> law acceptable for the Swiss business community. In UREK-N, there was a broader discussion about state intervention and the redistribution of tax revenues. Members of the conservative parties SVP and FPS expressed their strong opposition against the introduction of another tax that would increase the public budget.

*„Schon wieder ein neues Gesetz. Wunderbar! Wer behauptet denn in diesem Saal, es werde dereguliert? Ich weiss nicht, was Sie unter Deregulierung verstehen. Für mich ist Deregulierung das Eliminieren der Gesetzesflut und das Gewähren einer möglichst freien Entfaltungsfähigkeit der Wirtschaft. Wenn ein Gesetz unnötig ist, dann ist es dieses CO<sub>2</sub>-Gesetz. [...] Die Umverteilung von Geld, wie es dem Ökobonus entspricht, kostet Aufwand, bringt aber keinen Ertrag. Die Leistungsmotivation in diesem Land wird einmal mehr gemindert. Denn wer arbeitet, Leistung erbringt, am Karren zieht, bezahlt; und Geld aus dem CO<sub>2</sub>-Topf erhält jedermann, egal, ob er dafür eine Leistung erbringt oder nicht. Das ist Ökosozialismus - oder deutlicher: Ökokommunismus - unter dem Deckmantel des Umweltschutzes.“*

*Jürg Scherrer, FPS, 22.09.1998*

Members of the parliament referred to road transport and the mountain regions that were disadvantaged by the introduction of a tax. Moreover, the Swiss people's party claimed to put the introduction of the tax under referendum:

*„Wer erhält die Kompetenz zur Einführung einer CO<sub>2</sub>-Abgabe? Für die SVP-Fraktion ist es unbestritten, dass in Anbetracht der Tragweite dieses Gesetzes die Bundesversammlung, allenfalls gar das Volk über diese CO<sub>2</sub>-Abgabe und deren Einführung entscheiden sollen. Die demokratischen Spielregeln haben für uns absolute Priorität.“*

*Tony Brunner, SVP, 22.09.1998*

The referendum threat was used as strategy of opponents to the law, namely the Swiss People's Party, in order to call the law initiative into question.

In UREK-N and in the National Council, there was more criticism on the need for Swiss climate policy than in the Council of States. One member of the Swiss Freedom Party (FPS), the 'Car Party', expressed his strong opposition on the proposal for the CO<sub>2</sub> law. He made also use of the 'forest dieback' metaphor.

Similar to the Council of States, there was a broad debate on the impact of increasing fuel prices on the acceptability by the Swiss public. In particular, this claim was sometimes linked to the threat of a referendum called by road transport associations. Interest groups mentioned explicitly in the debates of the national council are the economic peak association *economiesuisse*, the road transport associations, the Swiss farmers, the mountain regions, the house owners, the gas industry, and small and medium sized enterprises:

*„So, wie es immer ist, müssen wir auch hier die Randregionen - sie bombardieren uns jetzt schon mit Schriftstücken - gesondert betrachten, vor allem die Bergregionen. Ich sehe es schon: Alle werden die Finger schon in der Torte haben, bevor sie gebacken ist.“*

*Roland Borer, SVP, 22.09.1998*

In particular the broad discussion on the inclusion of other greenhouse gases than CO<sub>2</sub> shows the close links between private interest groups and the members of the Swiss Parliament. In the National Council, members of the conservative parties built a coalition in order to block proposals that called for the inclusion of methane and other GHG:

*„Interessanterweise hat sich in der Kommission eine Art Koalition der Bauern [...] gebildet. Es sind fast nur Landwirte, die die Umwandlung in ein umfassenderes Gesetz laut Antrag der Mehrheit ablehnen. Dabei ist offensichtlich, dass die Landwirtschaft wegen des Methans Angst hat, was ich jedoch für unbegründet halte.“*

*Georg Stucky, FDP, 22.09.1998*

In contrast to the Council of States, there was a longer and livelier discussion on the CO<sub>2</sub> law in the chamber of the Swiss National Council. The initial addresses of the members of UREK-N were followed by some speeches of members that were not part of the commission. The discourse in the National Council was more subjective and emotional than in the Council of States. The positions were less homogeneous and there was also less consensus among the members of the chamber. Speakers of the environmental commission changed their discourse from a more pragmatic to a more emotional style. The statements became less pragmatic and content oriented but more politicized than in the

commission's discussions. Interestingly, some members of the environmental commission (SVP) that did not engage in the commission's discussions became more active in the sessions of the National Council. In the plenary, members of the Swiss People's Party tended to repeat the common metaphors employed by business interest associations in the former consultation, such as 'voluntariness', competitiveness concerns, less state intervention or Switzerland's 0.2% share of global greenhouse gases.

On October 8, 1999, the two chambers of the Swiss Parliament voted for the CO<sub>2</sub> law with 38 to 1 and 143 to 44. On May 1<sup>st</sup>, 2000, the Swiss CO<sub>2</sub> law entered into force.

#### **4. Conclusion and Outlook**

The analysis reflects the discourse of the two chambers of the Swiss Parliament on the initiation of the Swiss CO<sub>2</sub> law between 1997 and 1999. It shows which interest groups were represented in the parliamentary discourse – either directly, by the interest affiliation of the members of parliament, enabled by the militia system, or through the political discourse. We can observe significant differences in the discourse of both chambers of the Swiss Parliament. The Council of States, representing the Swiss cantons, behaves more consensus oriented and shows a more homogeneous debate on the law without opposition. Noteworthy, the discourse of the environmental commission of the Council of States (UREK-S) shows very close links to the interests of the Swiss business community. During the whole debate, members of the commission expressed quasi unanimously their concern about the acceptability of the law for actors of the Swiss economy, emphasizing the need for a close collaboration between business associations and the government. Accordingly, the Swiss CO<sub>2</sub> law is praised for its subsidiary character and the voluntary measures it provides. In contrast to the Council of States, there is more opposition towards the law in the National Council. The National Council takes a more heterogeneous position with lively debate. Business interests are less advocated, but more concerns about acceptability by the public are raised. In the debate of the National Council, the conservative parties take a bigger stake criticizing the law proposal. The qualitative content analysis confirms that the biggest business associations representing the well established industries as well as the rural and mountainous regions are well considered in the debates of the Swiss Parliament and its environmental commissions. Careful analysis of the parliamentary discourse allows for the conclusion that the fundamental pillars of the CO<sub>2</sub> law had already been elaborated in cooperation with key corporatist players in the pre-parliamentary phase. The impact of the parliament on the final decision seems to be rather marginal.

Further analysis could concentrate on social networks linking members of Parliament with business interest associations. Another interesting aspect would be to analyze the strategic behavior of political parties and actors representing business interests. Moreover, the next steps should include a longitudinal analysis comparing the initial CO<sub>2</sub> law with its successors, the implementation of measures for the CO<sub>2</sub> law in 2005, and the revision of the CO<sub>2</sub> Swiss law in 2009.



## 5. Annex

### 5.1 History of the Swiss CO<sub>2</sub> law

Table 1: History of the Swiss CO<sub>2</sub> law

<b>Initiative</b>	<b>Initiation</b>	
	1986, Dec 19	Motion ‚Environmental levy on energy‘
	1987, Feb 19	Motion on ‚Financing Swiss climate‘
	1987, March 16	Motion on ‚Resource tax‘
	1991, June 21	Motion on ‚Levy as immediate measure‘
	1994, March 23	First consultation on the Swiss CO <sub>2</sub> law
	1995, March 21	Public initiative ‚Energy and Environment‘
<b>Elaboration</b>	1995, May 31	Strategy of the Federal Council on Reduction of CO <sub>2</sub> emissions
	1995, Dec	Approval by Swiss Parliament
	<b>Preparation</b>	
	1995 - 1996	Elaboration of the law by the Interior Dept., Environment Agency, Economic and Finance Dept.
	1996	Information exchange of administration with interest groups
	<b>Message of the Federal Council</b>	
	1996, Oct-Dec	2 <sup>nd</sup> Consultation on the Swiss CO <sub>2</sub> law
	1997, February	Report of the Inner Dept.
1997, March 17	Message of the Federal Council	
<b>Check-up</b>	<b>Parliamentary period</b>	
	1997, September - 1999, June	UREK-S
		Vote Council of States: 38:1
		UREK-N
		National Council: 143:44
	1999, October	Mediation
	1999, October - 2000, February	Plebiscitary period (referendum)
2000, May 1	CO <sub>2</sub> law into force	

Source: (Ingold 2007; ecopolitics 2008)

## 5.2 The Swiss Party System

**Table 2: Political parties considered in the analysis**

German acronym	French acronym	English translation
SVP	UDC	Swiss people's party; former agriculture and democrat parties
SP	PS	Social democrat party
FDP	PLR	Swiss radical-liberal Party
CVP	PDC	Christ Democrat Party
Grüne	Les Verts	Green Party
LPS	PLS	Swiss liberal party
FPS	PSL	Swiss Freedom Party - The Car Party
LdU	AdI	Ring of Independents (disbanded in 1999)

## 5.3 Business interest associations considered in analysis

**Table 3: Business interest associations involved in the public consultation on the Swiss CO<sub>2</sub> law 1994**

Name	Economic sector
<b>Peak associations</b>	
economiesuisse	Peak association of the Swiss economy
Swiss Employers' Union	Swiss employers' association
Trade and Crafts Association	Trade and crafts
Swiss Farmers' Union	agriculture
Mountain Regions	Trade, consumers
Swiss Houseowners	Consumers
<b>Road transport</b>	
Auto-Suisse	Car imports
AGVS	Road transport
ASTAG	Road transport
Routesuisse	Road infrastructure
<b>Energy</b>	
Swiss Oil Union	Oil and refineries'
Swiss Oil	Oil and refineries
AVIA	Oil and refineries
Swiss Energy Forum	energy
<b>Industry</b>	
AVES	energy
Swissmem	Association of Swiss mechanical and electric engineering
Swiss Trade	Trade Association
SGCI	Chemicals Association
CemSuisse	Cement Association
AluSuisse	Aluminium Association
Swiss Builders' Association	Dwellings
Swiss glassworks	Glassworks

ZPK	Pulp and paper
VSZ	Bricklayers
KSE	Raw materials

#### 5.4 Parliamentary sessions considered in the analysis

Date	Parliamentary chamber or commission
1997, September 15	UREK-S
1997, October 30	UREK-S
1998, February 19	UREK-S
1998, April 28	Council of States
1998, May 25	UREK-N
1998, August 17	UREK-N
1998, September 22	National Council
1998, November 30	UREK-S
1998, December 17	Council of States
1999, February 15	UREK-N
1999, March 2	National Council
1999, March 9	Council of States
1999, March 22	UREK-N
1999, June 8	UREK-N
1999, June 8	National Council - decision
1999, October 5	UREK Mediation Conference
1999, October 6	Council of States - decision

#### 5.5 Interest affiliations of members of parliamentary commissions UREK-S and UREK-N

Table 4: Members of UREK-S, 1997-99<sup>6</sup>

Name	Party	Interest affiliations	Invited guests <sup>7</sup>
Forster, Erika	FDP	Member of administrative council of Rohner Textil AG	Ueli Forster, ex-president of <i>economiesuisse</i>
Spoerry, Vreni	FDP	President of Swiss Energy Forum; AC member of Nestlé and Credit Suisse Group; Vice president of Zurich's chamber of commerce; Member of Unique AG and Zürich Airport advisory board;	-

<sup>6</sup> AB = Advisory Board; AC = Administrative Council; BD = Board of Directors

<sup>7</sup> Members of the Swiss Parliament have the right to invite one or two persons to get permanent access to the Parliament in Bern.

Iten, Andreas	FDP	President of Pro Holz	-
Bisig, Hans	FDP	Member of Litra	-
Büttiker, Rolf	FDP	BD President of Swiss Trade and Crafts Association; AC member of nuclear power plant Leibstadt AG; Onyx AG, GETAG waste disposal AG, Roman Bauernfeind paper mill AG and Sogas AG; Swiss Compost Association	Anton Bucher, electricity industry
Leumann, Helen	FDP	BD member of Swiss Employers' Union	Thomas Daum, Swiss Employers' Union
Loretan, Willy	FDP	President of Swiss Shippers' Council	-
Respini, Renzo	CVP	Member of administrative council of Mobil Motor Rest SA	-
Inderkum, Hansheiri	CVP	Member of administrative council of Elektrizitätswerk AG	Christoph Ritz, ProClim
Schallberger, Peter- Josef	CVP	-	-
Frick, Bruno	CVP	Member of board of directors of economiesuisse Zurich and Swiss Energy Forum; President of Swissolar and AEE	-
Zimmerli, Ulrich	SVP	AB member of Swiss National Bank; President of LIGNUM, Swiss timber association; AC member of machine factory WIFAG AG;	-
Brändli, Christoffel	SVP	Member of administrative council of Bündner power plants and power plant Brusio AG; Vice president of Verkehrsverein Graubünden	-
Cavadini, Jean	LP	Committee member of Swiss Energy Forum; AC President of Association suisse de l'industrie gazière et Compagnie industrielle électrique S.A.; AC member of Swissgas	-
Plattner, Gian-Reto	SP	-	-

Table 5: Members of UREK-N, 1997-99

Name	Party	Interest affiliations	Invited guests
Baumberger, Peter	CVP	Board member of Swiss Homeowners' Association; Vice president of Swiss Energy Forum	-
Durrer, Adalbert	CVP	-	-
Ehrler, Melchior	CVP	Board member of Swiss National Bank; AC member of Credit Suisse; Director of Swiss Farmers' Union; AC member of Agri.ch	-
Epiney, Simon	CVP	-	-
Dettling, Toni	FDP	President of board of Swiss Homeowners' Association	-
Hegetschweiler, Rolf	FDP	Board member of Swiss Homeowners' Association; Board member of Swiss crafts chamber	-

Stucky, Georg	FDP	AC President of Swiss Oil AG; AC member of Bank Leu; AC member of AMC Alfa Metalcraft; Cementia Holding AG, Hiag Holding, Sika Finanz, Marc Rich Holding, AC VP von Danzas AG; International Red Cross;	-
Scherrer, Jürg	FPS	AC member of Bielerseerkraftwerke, Gasverbund Mittelland, Gasverbund Seeland, Wasserverbund Seeland, Müve Biel, ARA Biel	-
Brunner, Toni	SVP	-	-
Maurer, Ueli	SVP	AC member of Fenaco	-
Speck, Christian	SVP	Vice president of Swiss Energy Forum and Axpo Holding AG; AC President of Aarg. Elektrizitätswerk and power plant Augst, AC Vice President of power plant Reckingen, Ilanz, Linth-Limmern, Sargansland, Vorderrhein, AC member of Nordostschweizerische power plants and nuclear power plants Gösgen, Leibstadt und Säkingen	-
Wiederkehr, Roland	LdU	-	-
Philipona, Jean-Nicolas	PLR	Board member of Swiss Oil Union	-
Borel, François	SP	-	-
Berberat, Didier	SP	-	-
Grobet, Christian	SP	-	-
Herczog Andreas	SP	-	-
Rechsteiner, Rudolf	SP	President of Swiss Action committee against nuclear power plants, Vice President Förderverein für die Energie-, Umwelt und Solarinitiative, administrative council Kraftwerk Luterbach, President of administrative council of AdeV hydropower AG	Hans-Peter Fricker, CEO WWF
Semadeni, Silva Anita	SP	-	-
Strahm, Rudolf	SP	-	-
Stump, Doris	SP	-	-
Wyss, Ursula	SP	-	-
Teuscher, Franziska	GP	Member of cantonal commission for nature protection; President of board of Swiss Foundation of Verkehrsclub der Schweiz, President of Verkehrsclub der Schweiz, Member of administrative council of Energie Wasser Bern, Member of WWF Bern until 1999; Co-President of Swiss Employees' Association; National Womens' commission	Peter Saxenhofer, GL VCS

## 5.6 Code list

**Table 6: Occurrences of selected codes applied for qualitative content analysis**

Code name	UREK-S	UREK-N
0.2%	1	8
Alleingang (unilateral action)	12	14
Fuel price (transport fuels)	11	9
Economiesuisse	9	2
Voluntary measures	19	15
Interest groups	22	20
Climate skeptics	0	3
Farming / Agriculture	6	9
Methane and other non-CO <sub>2</sub> GHG	3	25
Reduction target	3	12
SAB / mountain regions	1	6
Subsidiarity	30	21
Redistribution	8	9
Transport	19	10
Transport associations	2	3
'Forest dieback' metaphor	-	2
No state intervention	3	16
Competitiveness	7	20
Economy	90	57
Specific interest groups mentioned in discourse	Oil Union, textile industry, machine industry	Small and medium sized enterprises, trade and crafts

## 6. Literature

Baranzini, A., P. Thalmann, et al. (2004). Swiss Climate Policy: Combining VAs with other instruments under the menace of a tax. Voluntary Approaches in Climate Policy. A. Baranzini and P. Thalmann. Cheltenham, UK, Northampton, MA, USA, Edward Elgar: 249-276.

David, T., A. Mach, et al. (2009). Networks of coordination. Swiss business associations as an intermediary between business, politics and administration during the 20th century. Applications of Social Network Analysis 2009. Zurich, Switzerland.

ecopolitics (2008). Fallbeispiel CO2-Gesetz. Fachkurs Bundespolitik. Bern, Switzerland.

EDI (1997). Bericht über die Ergebnisse der Vernehmlassung. Bern, Switzerland, Eidgenössisches Department des Innern.

Fischer, M., A. Fischer, et al. (2009). "Power and conflict in the Swiss political elite: An aggregation of existing network analyses." Swiss Political Science Review **15**(1): 31-62.

Häusermann, S., A. Mach, et al. (2004). "From corporatism to partisan politics: Social policy making under strain in Switzerland." Swiss Political Science Review **10**(2): 33-59.

Ingold, K. (2007). Analyse des mécanismes de décision: Le cas de la politique climatique Suisse. Faculté des Sciences économiques et sociales. Geneva, Université de Genève. **Docteur ès sciences économiques et sociales**: 373.

Katzenstein, P. J. (1984). Corporatism and Change. Austria, Switzerland and the politics of Industry. New York, Cornell University Press.

Kriesi, H. (1980). Entscheidungsstrukturen und Entscheidungsprozesse in der Schweizer Politik. Frankfurt, New York, Campus Verlag.

Kriesi, H. (1998). Le système des associations d'intérêts. Le système politique suisse. H. Kriesi. Paris, Economica: 245-277.

Linder, W. (2005). Schweizerische Demokratie: Institutionen, Prozesse, Perspektiven. Bern, Haupt Verlag.

Mach, A., G. Schnyder, et al. (2007). "Transformations of self-regulation and new public regulations in the field of Swiss corporate governance (1985-2002)." World Political Science Review **3**(2).

Mayring, P. (2007). Qualitative Inhaltsanalyse: Grundlagen und Techniken.

Prittwitz, V., K. Wegrich, et al. (1994). Politikanalyse, Opladen.

Thalmann, P. and A. Baranzini (2008). "Gradual Introduction of Coercive Instruments in Climate Policy." Critical Issues in Environmental Taxation **5**: 53-74.

Traber, D. (2010). Preference attainment in Swiss legislative decision-making. Séminaire en science politique. Geneva, Switzerland, Université de Genève, Département de science politique.

Trechsel, A. H. and P. Sciarini (1998). "Direct democracy in Switzerland: Do elites matter?" European Journal of Political Research **33**: 99-124.