

The Role of Policy Design in Policy Continuation and Ratcheting-Up of Policy Ambition

Highlights

- Specificity in policy design is more effective than intensity for long-term policy continuation and adaptation.
- Socioeconomic feedback and technological innovation are critical in enhancing policy resilience and ambition.
- Policymakers should prioritise adaptability and feedback mechanisms to address low-carbon challenges.

Summary

The paper "The role of policy design in policy continuation and ratcheting-up of policy ambition" examines the importance of temporal dynamics and feedback mechanisms in low-carbon policy design. Using data from eight OECD countries, the authors highlight how policy specificity, socioeconomic effects, and technological innovation can drive policy adaptation and ambition over time.

For example, the authors describe how high-intensity policies may be at risk of being terminated because they raise strong conflicts of interest, especially when they touch upon sensitive areas of powerful interest groups. In addition, such policies may be forced to downgrade due to intense social resistance. In contrast, highly specific policies may promote major changes in industry or society because of their clear goals and support for specific technologies or fields. This not only facilitates the ongoing implementation of the policy but may also progressively increase its scope and ambition.

What's the Issue?

Low-carbon policies face challenges in balancing durability, effectiveness, and flexibility. Intense policies, though impactful in the short term, often encounter resistance and risk termination. Policymakers must design adaptable policies that evolve with socioeconomic and technological changes to sustain long-term climate goals.

Why Is This Important?

Effective low-carbon policy design ensures:

- Sustainability and adaptability in addressing climate change.
- Gradual and consistent ratcheting-up of policy ambition.
- Inclusion of diverse stakeholders and mitigation of resistance from interest groups.

By focusing on feedback mechanisms and technological advancements, policymakers can build resilient policies that align with evolving conditions.

What Should Policymakers Do?

Policymakers should consider the following strategies to enhance low-carbon policy design:

1. **Emphasise Policy Specificity:** High-intensity policies, like strict carbon pricing, can achieve quick results but often face opposition, leading to dilution of long-term ambitions. In contrast, well-targeted, specific policies are more effective for achieving sustained impact. By focusing on particular actors or issues, these policies mitigate resistance, gradually evolve into more ambitious initiatives, and foster an environment conducive to long-term, transformative change.
2. **Prioritise Immediate Socioeconomic Effects:** Develop policies that deliver quick benefits to create supportive coalitions and generate positive feedback, helping policies adapt to changes and enhance their long-term goals.
3. **Incorporate Technological Innovation:** As low-carbon technologies become more cost-competitive, policies originally targeting older technologies may need to be reassessed and adjusted. Therefore, ongoing technology assessment and timely policy updates are key to ensuring policy effectiveness.

Citation

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