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ANALYSIS

Making green discourses matter in policy-making: Learning from discursive power struggles within the policy area of car taxation

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ABSTRACT

This paper is about stability and change in the policy-making discourse of a traditional neoclassical policy area, the area of car taxation. Stability is here related to the unquestioned continuation of a traditional neoclassical economics perspective in policy-making, whereas change is related to the introduction and impact of environmental concerns. The aim of the paper is to investigate, what makes green discourses matter in traditional policy-making. It is based on an in-depth study of policy-making processes related to car taxation in two environmental front-runner countries, Sweden and Denmark.

Making green discourses matter in policy-making is an important contemporary environmental challenge. Therefore, as Tian Shi argues, we need more research into the institutional setting of the policy-making process. Ecological economics as a policy science has to have a broad understanding of the political economic nature of the policy process. Taking this standpoint as the point of departure, the paper seeks to uncover questions such as, what is the policy-making reality in which Swedish and Danish green discourses have to make a difference? How do existing neoclassical regimes react, when green actors attempt to influence policy-making from an environmental point of view? And to what extent can green discourses actually have an impact on the policy world within the area of car taxation?

The paper concludes that the traditional neoclassical economic discourse is particularly robust and resistant against alternative green discourses. Stability rather than change is the dominating picture. This does not imply that environmental concerns will not be taken into account in the future. Rather it implies that only the changes, which keep up the existing order, or enhance the narrow power-related interests of the dominating actors, will materialise more or less easily. The rest is a power struggle in which timing, coalition-building, persistence and thorough knowledge about the field in question is of importance. In this struggle change agents will also benefit from the ability to rethink dominating ways of thinking and doing in an environmentally benign way. A rethinking that is based on environmental values while at the same time holding positive visions that are 'compatible' with the existing dominating discourse.

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1. Introduction

“One key challenge is to better understand the ways in which ecological economics can influence the sustainable development policy debate” (Shi, 2004:31).

In a recent article in ecological economics, Tian Shi states, “more attention needs to be paid to the research into the institutional setting of the policy decision-making process” (Shi, 2004:26). This statement is based on the viewpoint that understanding socio-ecological structures is essential to economic analysis within the discipline of ecological economics. Given that the goal is improved decision-making on sustainability, ecological economics as a policy science has to have a broad understanding of the political economy nature of the policy process (Shi, 2004:24). Taking this viewpoint as the point of departure, Shi basically argues that current scientific and policy-making processes fail to take environmental concerns into account in a proper way. Among other things, Shi stresses that governments tend to let other more traditional and narrow economic concerns dominate decision-making. Therefore government alone cannot provide the basis for making informed decisions about environment and development (Shi, 2004:25). Shi also stresses that science is inadequate for decision-making, given the complex and urgent nature of the environmental problems, which we face. New analysis and decision support procedures are needed, when facing social controversy, uncertainty and plurality of decision criteria (Shi, 2004:27; Funtowicz and Ravetz, 1992). Shi finally argues that the discipline of ecological economics may have something to offer as concerns the institutional setting of policy-making. As a discipline ecological economics has generally given most attention to alternative perspectives on human–nature interactions. Ecological economics also provides, however, insight into a new way of doing politics emphasising trans-disciplinary, participatory, contextual and multifaceted action. In the words of Shi (2004:29): “Ecological economics provides a new way of thinking that scientific consideration and ethical and political judgments necessarily bear on each other in the evaluation of possible policies and courses of action. Policy-making for sustainability in this way can be understood as a collective argumentative process, with different questions and possible priorities put forward, evidence gathered and arguments built for and against different positions (Faucheux and O'Connor, 1998). ... Key to this process is to make sure that diverse groups of actors are engaged in the assessment process, particularly those voices that are commonly unheard have a place at the table (O'Hara, 1995, 1999)”. (See also Van den Hove, 2000; Söderbaum, 2000 and Funtowicz and Ravetz, 1992)

More attention needs to be paid to the institutional setting of the policy-making process if the goal is improved decision-making on sustainability. In addition ecological economics can make a valuable contribution as to how new analysis and decision support procedures could look like in the face of uncertainty, conflict and post-normal science.¹ However, if a key challenge is to understand the ways in which ecological

economics can influence the sustainable development policy debate, we also need an in-depth understanding of contemporary policy-making, as it looks in real life. “Besides becoming aware of the limitations of the neoclassical approach to sustainability, we need to understand the process by which its discursive power is maintained and currently increased in the concrete policy decisions in this world, despite all eye-opening critique”. (Hansson, 2003:21). We have to understand what the dominating policy-making discourse looks like and how it continues to dominate policy-making in order to understand how ecological economics as a discourse can contribute to improved decision-making within the environmental area. Consequently, important questions are (1) What is the reality in which alternative green discourses will have to make a difference? (2) How does the existing regime react, when green actors attempt to influence decision-making from an environmental point of view? (3) To what extent can alternative green discourses actually have an impact in the policy world?

Taking the point of departure in these questions, the article investigates real life policy making within a specific policy area, in order to qualify the discussion concerning how environmental discourses may or may not impact on contemporary policy processes. The specific policy field in question is the domain of car taxation in Sweden as well as Denmark in the 1980s and 1990s. How the dominating neoclassical discourse succeeds in staying robust and resistant against alternative discourses such as environmental economics and ecological economics is an issue. The specific circumstances, which are actually needed to secure the implementation and impact of more environmentally sensible discourses is another.

As a way of setting the scene for the case studies, the different available discourses on doing politics within the policy area of car taxation are presented.

2. Three divergent discourses on doing politics within the policy area of car taxation

2.1. The discursive approach

The general meaning of discourse is “a shared way of apprehending the world” (Dryzek 1997:10). More specifically discourse can be understood as “a specific ensemble of ideas, concepts, and categorizations that is produced, reproduced, and transformed in a particular set of practices and through which meaning is given to physical and social realities” (Hajer, 1995:60).

The existence of a world outside of our imagination is not up for debate in the chosen discourse analytical perspective. The relation between reality and discourse can be described in the following way: A flood, i.e. an increasing water level, is a material fact, an event that takes place irrespective of people's ideas, and discourses about it. It can kill everybody standing in the wrong place, no matter what beliefs these people have. As such, the flood has an existence of its own. But as soon as people try to put this event into a meaningful whole, the flood is no longer outside of the discourse. It will make a significant difference for the kind of social actions following the event, if the flood is seen as a result of bad politics or if it is understood

¹ See Funtowicz and Ravetz 1992 for a thorough discussion of the concept of post-normal science.

as God's punishment of sinful people. Further, even if most people may agree that the deaths due to the event were caused by bad politics, what social actions are deemed necessary will still vary depending on whether one blames politicians for not having heeded the calls to reduce global warming, or if one wants to hold them responsible for their amateurish treatment of a national emergency situation (Jørgensen and Phillips, 1999:15–16).

Another thing worth drawing forward is the question of whether or not actors are able to step beyond discourses. Following the Foucauldian tradition of discourse analysis individuals are entrapped in their discourses and thus unable to distance themselves from them. On this point John Dryzek disagrees with Foucault and instead he advances the view that “[d]iscourses are powerful, but they are not impenetrable” (Dryzek, 1997:20). To a certain degree, actors are able to distance themselves from existing discourses, for instance by drawing on a plurality of discourses. Indeed, in the case of environmental politics, following Hajer (1995:46), there is a “great variation of modes of speech” to choose from.

It is of course tempting to explain the unequal possibilities of environmental activists and industrial lobbyists to influence the agenda of policy-making institutions as a result of already fixed relationships of economic and political power. Maarten Hajer remarks however that this is “an unsatisfactory circular explanation because institutions are only powerful insofar as they are constituted as authorities vis-à-vis other actors through discourse” (Hajer, 1995:51). Here, Hajer draws inspiration from Foucault who has always stressed that the unequal possibilities of different groups in society to influence and change ideas, social relations and concrete practices cannot simply be seen as the result of the existing distribution of resources between these groups. The different degrees of constraints and possibilities experienced by these actors are also constituted through discourse.

Discourse, much as structure in social theory can be seen as something that is both enabling and constraining. With respect to the double-edged sword of possibilities and constraints that comes with each discourse, Ronnie Lipschutz makes a reflection that reminds us that the freedom of agency may change with time: “[T]here are historical junctures at which the ‘menu of choices’ expands, so to speak, offering alternative paths that might not, at other times, be available” (Lipschutz, 1996:242). In the case stories, we shall observe such a historical juncture within the domain of car taxation as the environmental question enters the political scene towards the end of the 1980s.

How dominating a given discourse is can be answered by reference to two phenomena: the degree to which actors are forced to refer to its concepts and categories in order to be credible and the degree to which the given discourse has been translated into institutional arrangements. If the discourse dominates in both regards within a certain domain, it is said to be hegemonic (Hajer, 1995:60–61).

According to Hajer (1995:65), it is possible to identify one or more so-called discourse-coalitions within a given policy-making area. A discourse-coalition is made up of a group of actors who support the story lines and practices of a specific discourse. Story lines here are understood as “narratives on social reality” which encapsulate a more complex understanding in a simple and symbolic way (Hajer, 1995:62). Thus,

story lines can take the shape of slogans, metaphors etc. and point to the perspective or the understanding shared by a specific discourse-coalition. Often, we find a dominating discourse-coalition within a given policy-making area and one or more alternatives trying to challenge the dominating way of apprehending the world. Following Neumann (2001:169ff) three principally different approaches are envisaged in relation to a dominating discourse at work. One option is to remain loyal. Another option is to negate the dominating discourse, which means that even though you protest you are still operating on the terms of the dominating discourse. The third option is to add something new — a sort of creative protest. It is also possible to find only one discourse-coalition indicating that the area is “politically closed” (Neumann, 2001:60) and the existing discourse hegemonic. To further characterise a given policy-making area, the article is inspired by the works of Fairclough as discussed in Jørgensen and Phillips (1999:146ff) Thus, a “discursive order” is taken to mean a configuration of discourse-coalitions within the same social area. It denotes different discourse-coalitions that partly cover the same area, which they struggle to define each in their own way.

A discourse is something that is continually created and reproduced. In this connection the contact with other discourses is an important factor in its development and change. If we look at a specific policy-making area, story lines play an important role in terms of stability and change. As long as the same story lines are reproduced and told over and over again within a specific policy-making area, discursive orders are maintained. This also indicates, that the discursive order can be transformed, if other stories begin to gain dominance. Thus, story lines are vehicles of change (Hajer, 1995:56ff). If other stories are then translated into institutional arrangements and ways of reasoning, the change has reached a more lasting and hegemonic stage. If on the other hand the other stories only dominate the conceptualisation of the world for a while and then disappear, the new changes are positioned as ‘one time occurrences’.

2.2. *The discourses of standard economics, environmental economics and ecological economics*

It is possible to distinguish one dominating neoclassical economic discourse within the policy-making area of car taxation and two environmentally inclined alternatives in Denmark and Sweden in the period from 1980 until 2000 (Bøgelund, 2003). In the beginning of the period, the dominating neoclassical economic discourse has a hegemonic status, meaning that the area is politically closed. In the late 1980s, this status is challenged by the two alternative green discourses. The discursive order is then configured by one dominating discourse and two alternative discourses trying to challenge the dominating way of apprehending the world. In the following we shall categorise these discourses and assess them from an environmental point of view as well as from a policy-making point of view. Later on in the case stories, we will discuss, to what extent each of them comes to influence policy-making in the 1980s and 1990s.

The categorisation takes its point of departure in the empirical data gathered in relation to specific policy-making

	Primary Goals	Mobility understanding
Standard economics	Economic growth and efficiency. Securing jobs for everybody.	Increased mobility equals increased welfare
Environmental economics	Economic growth and efficiency. Fairness of pricing in a regional perspective	(Increased) mobility must be curtailed by the help of fair and efficient pricing
Ecological economics	Staying within ecological limits Social justice in a global perspective	Increased mobility is an environmental threat and therefore also a threat against welfare.

Fig. 1 – Goals and mobility understanding of the three discourses.

processes in Denmark as well as Sweden. The categorisation is also supported by theoretical literature able to clarify the terminology and methods observed. In particular, two theoretical fields offer inspiration concerning the way in which to integrate environmental values into the economic field of car taxation; the field of environmental economics and the field of ecological economics. From the latter field, a more ‘radical’

	Magnitude and Quality of change called for	View on environmental problems	View on Nature
Standard economics	-	-	-
Env. Economics	Business as usual Env. and economic concerns pull together	Highlight local and regional env. problems A partial understanding of the environment Env. concerns as “one among many”	Nature as a commodity Nature as a matter of individual satisfaction
Ecological economics	Structural changes are needed Env. and economic concerns might conflict	Highlight global and complex env. problems. A systemic understanding of the environment. Env. concern as “one of a kind”	Nature as an irreplaceable part of life Nature as a matter of collective commitment

Fig. 2 – The environmental understanding of the three discourses.

	Policy-making style	Policy-making assumptions and Instruments
Standard economics	Top-down – Technocratic Emphasise objectivity	Equilibrium strategy Trade-Off principle as basis Cost-benefit analyses Monetary valuation
Environmental economics	Top-down – Technocratic Emphasise objectivity	Equilibrium strategy Trade-Off principle as basis Cost-benefit analyses Monetary valuation
Ecological economics	Bottom-up – Participatory Emphasise value	Evolutionary strategy Precautionary principle as basis Extended peer communities Monitoring of indicators

Fig. 3 – The policy-making understanding of the three discourses.

version of ecological economics is presented to indicate the scope of methods regarding environmental integration. In the following Figs. 1, 2 and 3, the three discourses are listed according to a number of categories. It is of note that one of the alternative discourses operates on the terms of the dominating discourse, while the other add something new.²

The dominating discourse within the area of car taxation is a traditional version of standard economics in which environmental considerations have no place (Dryzek, 1997:49ff). Nature is implicitly regarded as an endless resource and as an endless sink. The goals of standard economics are economic growth and welfare. Increasing mobility is a way in which to increase economic prosperity and welfare. Therefore, imposing taxes on cars is done out of economic efficiency reasons and not in order to curtail mobility (Bøgelund, 2003:150ff). Looking specifically at the different car taxes in question, we

² It is important to underline that the three discourses presented here are not on equal terms, when it comes to empirical resonance. Standard economics as conveyed here is a coherent and well-established empirical observable discourse. If you go e.g. to the Danish Ministry for Taxation this is the understanding and the practice you will find. The two other discourses are not that well-established. This especially holds true in the case of ecological economics. If you go e.g. to the Swedish Ministry for the Environment you will find parts of the understanding outlined here, but none of the practical policy-making implications. The important thing here is, however, that the three discourses indicate a range of perspectives, from which the different actors can and do draw on in different situations. For a more thorough discussion of the categorisation of the three discourses see Bøgelund, 2003.

find decision-making dynamics according to these reasons. The petrol tax, e.g., is used both as a stable source of revenue and as a means to delimit private consumption in order to stabilise the economy. The sales tax is also used as a stabilising mechanism. It is raised to delimit private consumption and reduced to improve productivity and employment (Bøgelund, 2003:150ff).

Turning to the two green alternatives within the policy area, instead we find goals and dynamics related to an environmental perspective, although the implications of adhering to one or the other are quite different. It is obvious that the environmental economics perspective has a traditional economic and policy-making point of departure trying to modify the existing economic order, but leaving the institutional order essentially the same. It is even fair to say that the environmental economics perspective reinforces the prevailing technocratic style of policy-making.³ What happens here is basically an 'add-on' of environmental concerns to the existing policy-making regime. The situation is quite different as concerns the ecological economics perspective. This perspective challenges both the existing economic and institutional orders. It wants to see changes, which take the point of their departure in environmental values and proceed from there. In particular, this has major consequences for the way in which analysis and decision support procedures appear in a policy-making process. In an evolutionary strategy, the issue is not the definition of the future as in the case of an equilibrium strategy, but building up the process towards it (Ring, 1997). Thereby an evolutionary strategy escapes the traditional balancing of interests as it is most commonly done in cost-benefit analyses. Instead methods relying on an extended involvement of different stakeholders and multivariable analysis are required (Söderbaum, 2000; Van den Hove, 2000; Funtowicz and Ravetz, 1992). Overall, environmental economics approaches the question of environmental integration from a traditional economic starting point, whereas ecological economics approaches the question of environmental integration from an ecological starting point aiming to change institutional systems accordingly.

The differences between the two green tax alternatives are also shown, when we look at the specific decision-making dynamics for each discourse. From an environmental economic point of view, the ideal level of the petrol tax, e.g., should equal the marginal environmental damage of each extra mile driven (Maddison et al., 1996:21). Thus, the task would be to calculate the monetary value of externalities and impose a tax according to this result. Thereby, an optimal trade-off is achieved between environmental qualities on the one hand and welfare services from the road transport system on the other hand. This approach is also often referred to as *fair and efficient pricing* (Commission of the European Communities, 1995, 1998). From an ecological economics perspective the reasoning would be different. The aim here is to address serious environmental problems such as the greenhouse effect, the loss of biodiversity and the effects of acid rain. Addressing these problems within the transport sector in a precautionary way will require continuous signals for long-

term structural change.⁴ In relation to car taxation the consequences of such an evolutionary and precautionary strategy would be increasingly to raise the cost of private motoring (see Bøgelund, 2003:62ff). Thus, for instance, it would make perfect sense to increase the tax on petrol, each year a little more, to create a strong incentive to shift the reliance on fossil fuel to a reliance on solar energy as a flow resource (Ring, 1997). In addition, increasing the petrol tax would slowly change the balance between private motoring and public transport. Another option would be to continuously increase the sales tax of new cars, in order to keep down or even reduce the number of cars altogether and thus take into account the scale of throughput.

From the exposition above, it seems that the discourse of ecological economics would prove to be the superior discourse to use from an ecological point of view, since it more readily conveys the global, conflicting and structural implications of the environmental as problematic. From a practical policy-making point of view, however it seems as if the discourse of environmental economics would be more readily accepted in a traditional policy-making situation, since it does not challenge the existing order of today quite as much. Thus, in terms of actually achieving genuine environmental change both discourses have their advantages and disadvantages. In the following discussion we shall see how the two discourses actually manage to challenge the dominating discourse of standard economics within the policy area of car taxation. We will also see how the dominating discourse manages to adjust to new challenges.

3. Lessons from environmental policy making within the area of car taxation

3.1. The case study approach

The case of car taxation is an important area in terms of ecology as well as economy. The transport area is an area marked by an immediate clash of interests between the goals of mobility and the goals of environmental quality. There is an outspoken need to reduce the large environmental problems of this sector (European Environment Agency, 2000a). Car taxation also contributes significantly to the state budget.⁵ Another reason for choosing to investigate the policy-making area of car taxation is the fact that the area has endured a strong political pressure to integrate environmental concerns since the mid-80s. Thus, there is a rich empirical field to consider. Furthermore, a broad array of researchers have put

⁴ See Gudmundsson and Höjer, 1996 for a more thorough discussion of the kind of structural changes needed.

⁵ In Denmark the registration fee contributed more than 15 billion Danish Kr in the year 2000. The petrol tax contributed more than 10 billion Danish Kr. and the vehicular tax contributed more than 6 billion Danish Kr. In comparison all 'other' eco-taxes contributed a little less than 10 billion Danish Kr. (Finanslov for finansåret 2000, §38 skatter og afgifter found at <http://www.oes-cs.dk/bevillingslove/docshelf?shelf=f100>). In Sweden the figures are as follows (excl. VAT) for 1998: petrol — more than 24 billion Swedish Kr., sales tax — 200 million Swedish Kr, vehicular tax — more than 5 billion Swedish Kr. (Association of Swedish Automobile Manufacturers and Wholesalers, 1999, p.41).

³ For a thorough discussion of technocracy and the politics of expertise see Fisher, 1990.

effort into the task of analysing how to adjust the car-related tax system to environmental aims on a practical level (European Environment Agency, 2000b; Dyck-Madsen, 2000; Maddison et al., 1996; Button, 1993). The political-administrative realities of actually adjusting the car-related tax system, on the other hand, have not been the object of a similar in-depth inquiry (Bøgelund, 2003:20).

The case study is carried out as a comparative case study of best practices. In general, comparative studies produce a greater accuracy than a single case study, when it comes to uncovering variety and nuances (Andersen, 1997). Considering the areas of interest covered in this study, analysing more than one country could possibly open up a variation over the theme 'environmental integration and ways of achieving or avoiding that within the area of car taxation'. This again implies choosing countries by which it will be possible to analyse the struggle and output of environmental integration. In other words the case countries must be sought among the countries that have actually been linked with some kind of 'green' car taxation. Based on an inquiry made to an array of selected transport researchers, Sweden and Denmark have been chosen as case countries. Both countries are considered as front-runners with regards to environmental adaptation of the car taxation system, as they have in fact devoted a lot of attention to the question on a national level (Bøgelund, 2003:25ff).

The period of time covered in depth by the case study is the period from around the first time environmental concerns were introduced into decisions about car taxation and until the existing administrative system has adapted to the new challenge. This has turned out to be the period from the end of the 1980s until the turn of the century for both countries. However, the period from the introduction of the first car taxes until the end of the 1980s is also covered, though more extensively.

In both countries, the policy-making process of three kinds of car taxes is in focus: sales tax, vehicular tax and petrol tax, thus covering buying as well as owning and driving a private car. The policy-making process of all three taxes is not treated equally, though, mainly in order to delimit the workload. From an environmental point of view the petrol tax has attracted most attention in both countries and therefore most attention has been guided in that direction. Likewise, the governmental arena has been given more intensive coverage than the parliamentary arena.

In each country the first step taken was to get an overview of the law decisions related to any of the three taxes from their first appearance and up till today. This overview has been established on the basis of existing research on the subject and by going through the relevant law propositions, reports from the Tax Committee of the two parliaments and, especially in the case of Sweden, relevant reports from investigative committees. In order to select specific policy-making processes for an in-depth analysis, it has been necessary to include other 'knowledge gathering' strategies than the ones mentioned above. This is due to the fact that a focus on the law proposals actually carried out will not enlighten the policy-making processes that went astray and did not result in any parliamentary decisions. Neither will such a focus include processes internal to the governmental arena. Omitting this kind of processes from the study would most certainly prevent the gathering of valuable knowledge as to the limits of integrating environmental con-

cerns into the policy-making area of car taxation. Thus, an additional entry to the empirical field has been to investigate the activities of relevant actors, especially the activities of environmentally oriented actors.

The study has therefore centred on three policy-making processes in each country. Generally, policy-making processes from different time periods have been chosen, in order to cover the development over time. Another criterion has been to choose processes, in which different ministries lead the work, to get a good view of the rationalities at play within each ministry. It has also been important to include both successes and failures in terms of environmental adaptation of the car-related tax system; to uncover what kind of environmental adaptation is feasible and not feasible within the existing administrative system. After choosing the policy-making processes for an in-depth study, relevant documents have been studied and relevant actors have been interviewed. In Sweden 16 people in total were interviewed, one of them twice, while in Denmark 14 persons were interviewed (see also Bøgelund, 2003: 34ff).

3.2. *Setting the scene for an ecologically informed car taxation policy in Denmark and Sweden*

In Sweden as well as in Denmark, car taxation is born as a matter of road wear and tear with the local authorities as the dominating actors within the field.⁶ The taxes are levied according to road maintenance expenses and the incoming proceeds are earmarked for road purposes. Fairness, first of all towards the ones who maintain the roads, but also towards the motor drivers, is the story line that best describes the idea behind car-related taxes in the beginning of the last century.

Over the following decades the initial dynamics is replaced by fiscal and stability related dynamics and car taxation becomes a matter of yield, growth and welfare, where growth is connected with increased productivity and mobility, while welfare is an essential part of increased employment. Now the central economic ministries are the dominating actors and the treasury receives the tax proceeds without any restrictions. The principle of socio-economic efficiency replaces the principle of earmarked taxes: Revenues are to be used according to a total evaluation of where the money is used the best. Growth and welfare is the story line that best describes the car-related tax understanding of the early 1980s.

During the 1980s things happened both within the environmental area and within the economic area, which subsequently led to the introduction of an environmental pressure on the car taxation system.

In both countries the environmental questions acquired more and more attention on the political agenda. Since the early 1970s Danish as well as Swedish environmental organisations have been actively calling for structural changes especially as concerns the use of energy. In the 1980s, it was the question of acidification, which acquired attention and among other things this problem was linked to the exhaust emissions of the cars. Thus, the two dominating subjects of the 1980s, as concerns the car, were the removal of lead from petrol and the installation of the catalytic converter in order to avoid the death of forests and

⁶ The following exposition is based on Bøgelund, 2003: pp. 90–105 and pp. 166–180.

damage to health.⁷ In the same period a new course of regulation gained momentum within the environmental area based among other things on the insight that “not everything can be solved the administrative way”.⁸ Diffuse sources of pollution call attention to the use of economic means. It is about time to put a price on the environment. By the end of the 1980s these trends resulted in the parliamentary induced differentiation of the petrol tax, which was later followed by a differentiation of the registration fee to encourage the introduction of the catalytic converter.

From a discursive point of view, it is worth noting that in the period from 1970 to the late 1980s, the environmental communities in both countries left a more marginalised environmental discourse and creatively leaned towards a more dominating economic discourse in order to influence policy making. In the first part of the 1970s an organisation like the Swedish Society for Nature Conservation considered it morally doubtful both to use the means of the dominating powers and to make it possible for rich people and firms to “pollute as they like” (Swedish Society for Nature Conservation, 1976: 169–170). Towards the end of the 1970s the organisation started to speak the language of economics to “open up the eyes of those who hold the power” (Swedish Society for Nature Conservation, 1976: 169–170). Later on in the 1980s, they accepted the understanding of economic means as cost-effective measures, while at the same time emphasising the steering effects of the measures.⁹ This is a clear example of the earlier argument that actors are able to distance themselves from existing discourses and creatively add something new.

Within the economic area, two trends in particular support the increased focus on environmental taxes. One is the ambition to rationalise and optimise public administration. *Cost-effectiveness* is here a leading story line and within the economic discipline economic means are generally thought to be more cost-effective than administrative regulation. The other is the political issue of the burden of taxation. This burden is generally thought to be too high, especially as concerns income taxes. *Shifting the tax burden* from income taxes to a more marginal kind of taxes is consequently on the political agenda (Bøgelund, 2003:112ff, 171ff).

There are other stories told within the area of car taxation in the late half of the 1980s. These are the traditional growth and welfare related stories of the car organisations, which have been told for a long time. Generally they go against adjusting car taxes to the benefit of environmental aims. They can be captured in story lines like *Motoring is the motor of Swedish society* or *Without the car society will come to a stop* (Tengström, 1991:126ff). By the end of the 1980s these stories were quite marginalised and overshadowed by the fiscal and environmentally oriented story lines of cost-effectiveness, shifting the tax burden and putting a price on the environment. The fact that the car industry in

Sweden and the sale of cars in Denmark experiences a veritable boom probably adds to the marginalised position of the growth-related stories.

In the following discussion, we shall see how the struggle to adapt the car taxation system to environmental aims turns out in each country. As we do this, we will focus more explicitly on the reasoning and the activities of the environmental actors in the Swedish case, whereas the Danish case predominantly will reveal the reasoning and activities of the economic actors and the dominating logic of the Danish central administration.

3.3. The Swedish case

Around 1990 the Ministry for the Environment was one of the influential actors discussing environmental taxes in relation to the transport area. The Ministry for the Environment was a rather newly established ministry at that point in time and was very enthusiastic about the matter. Everyone from the minister and the state secretary to the departmental people “very much want to find good economic means”.¹⁰ The Environmental Protection Board and the Swedish Society for Nature Conservation eagerly support the Ministry for the Environment on this point. All three actors speak from a perspective that mostly resembles the discourse of ecological economics, as they all focus on the steering effects of the environmental taxes. Later on in the 1990s, the Ministry for Communication took over the responsibility of adjusting the transport sector to environmental needs. Consequently, the ministry also took over the leading role in the environmental discourse-coalition, supported by SIKa, a transport related advisory council. SIKa as well as the Ministry for Communication both argue for environmental adjustments of the car taxation system speaking from an environmental economics perspective. The question for SIKa is not “do we have too much traffic?” The question is rather “does the traffic pay its expenses?”¹¹

On the other side of the power struggle, we find actors such as the Ministry for Finance, the Ministry for Trade, the National Tax Board and the car organisations. They all speak from a more traditional standard economics perspective, in which growth and welfare are the main concerns and mobility a solution rather than an environmental problem. As we shall see in the policy processes about to unfold, the Minister for Finance is especially reluctant to let environmental actors have a say within the area of car taxation.

How the power struggle is actually carried out is illuminated in the following two specific policy-making processes both centred on committee work and the following political treatment in the parliament.

The first committee, the Committee for Environmental Taxes, is part of a policy-making process marked by a general public and political agreement that environmental taxes are worth considering both as a way to reach environmental policy-making goals and more general tax related goals. *Put a price on the environment* is a leading story line in this period. By the end of May 1988, the Ministry for the Environment is authorised to call

⁷ This analysis is based on an evaluation of magazines primarily the Swedish Society for Nature Conservation and the Danish Nature Foundation in the 1980s, “Sveriges Natur” and “Natur og Miljø”.

⁸ Interview with a former expert (1) from the Swedish Society for Nature Conservation, p.2.

⁹ *ibid.*; Interview with an expert from the Swedish Society for Nature Conservation, p.1 and Interview with a former expert (1) from the Swedish Society for Nature Conservation, p.3.

¹⁰ Interview with a former civil servant from the Ministry for the Environment, p.3.

¹¹ The head of SIKa interviewed in Gröna Bilister, 1996: 12–13.

in a parliamentary committee, with the assignment to “analyse the conditions for an increased use of economic means within the environmental area” (Dir. 1988:44). On this background, the committee “shall come up with suggestions as regards how such means can be shaped and implemented” (ibid.). In the comments to the bill, the importance of taxes with strong guidance is emphasised. Taxes ought to reach a level, at which they have an impact on the unwanted behaviour in question. Thus, we may conclude that environmental taxes are considered from the perspective of ecological economics.

Eight parliamentary members are appointed according to the composition of the parliament. Several of them have a seat in the parliamentary Committee of Taxes. This includes the chairman of the committee. He is characterised as a competent and “interested” chairman, who wants to “accomplish something” with the committee.¹² In the same period as the Committee for Environmental Taxes is launched, another committee, initiated by the Ministry for Finance, works to prepare a large tax reform with the aim of lowering the direct tax level. For economical and political reasons, the two committees start to collaborate, even though they have different perspectives on the tax question. As a civil servant from the Committee for Environmental Taxes puts it: “... [T]he Committee for Environmental Taxes was [not primarily] interested in ... how much income one would generate with this or that, except they wanted to know about ... steering effects ... [The other committee] referred exactly to the opposite philosophy. [They wanted] as little direct steering effect as possible...”.¹³ In the end this collaboration provides the opportunity to introduce environmental taxes on a large scale, even within the transport area. As concerns the transport area, the parliamentary output of the policy-making process is the introduction of a CO₂ tax on petrol and the introduction of an environmentally differentiated sales tax in order to influence consumer choices. All cars are subsequently split into three environmental classes.

Overall, the timing of this process is good and the general spirit is one of collaboration. The strategic interests of the Ministry for Finance and the Ministry for the Environment are basically addressed and there is no outspoken need for conflict management. The policy-making process related to the Committee for Environmental Taxes is a process, where everybody wins. Still, it is worth underlining that environmental integration does not materialise on its own in this process. The offensive, professional and in particular product oriented strategy of the environmental actors is the factor that actually ensures influence on the part of environmental interests. A “very competent” secretariat is associated with the committee, consisting largely of people from the newly established environmental ministry.¹⁴ In terms of legitimacy, it is even worth underlining that the active collaboration and work of a professional tax person, who the Ministry for Finance trusts, is also a decisive factor. However, even if the Committee for Environmental Taxes gets the opportunity to vary the taxes according to environmental needs, the size of the taxes is determined by the

needs of the tax reform. The environmental discourse-coalition successfully challenges the traditional tax related concerns of administrative simplicity and a non-distorted economic system, whereas they are not able to overrule traditional financial and industrial concerns.

In the beginning of the 1990s an economic crisis wipes out all other subjects on the political agenda and the petrol tax is increased and indexed as one way to deal with the huge budgetary deficit on the public finances. Large petrol tax increases are thus politically feasible if based on urgent financial arguments. In 1995, Sweden becomes a member of the EU, and the parliament is more or less forced to abolish the sales tax reduction on the environmentally better cars. It is instead decided to give the reduction in relation to the vehicular tax. The parliament also discusses to increase the sales tax by 20% and index it in order to pay for the EU membership. However, the car industry threatened to close factories and in the end the sales tax was abolished for all types of cars. To keep up the yield the vehicular tax is increased correspondingly. What remains of the environmental adjustment of the car system after this round is the vehicular tax exemption on the cars from the best environmental class. This tax exemption was finally removed in January 2000 with reference to EU law.

As is evident from this exposition, there is not much room left for an environmental framing of the area of car taxation in the 1990s. Generally, traditional financial and welfare related concerns carry the day. This is not to say that there have been no attempts to include environmental concerns in the car taxation system. There have been several attempts, and we shall discuss the most ambitious one in the following, i.e. the policy-making process related to the Committee of Communication

In the early months of 1994 the Swedish parliament installs a parliamentary committee with the aim to work out a “national plan” for the communication sector as a whole (Report from the Transport Committee of the parliament. 1993/94:T224). Among other things, the committee has to discuss how to allocate infrastructure means, how to reduce the amount of traffic, how to use economic means to spur a sustainable development within the sector and how traffic safety can be improved.

In the course of the work, the Ministry for Communication decides to give a central role to the transport related advisory council, SIKa. They are pointed out to assist the committee secretariat. Due to this institution the story line of *fair and efficient pricing* starts to dominate the committee work. SIKa is often characterised as an institution, who believes that “one can calculate everything and that it is possible to take out a very rational decision-making material”.¹⁵

Comparing this committee work with the former Committee for Environmental Taxes, it is worth underlining that the discursive perspective of the environmental discourse-coalition is now environmental economics and not ecological economics. The Ministry for Communication and SIKa are now the leading environmental actors, whereas the Ministry for the Environment and the Environmental Protection Board step into the background. Even in other ways there are big differences between the two policy-making processes discussed so far. Internally in the Committee of Communication,

¹² Interview with a former expert (1) from SNF, p. 4.

¹³ Interview with a former expert from the Environmental Protection Board, p.2.

¹⁴ Interview with a former expert from the Environmental Protection Board, p. 4 and Interview with a civil servant (2) from the Ministry for Finance, p.18.

¹⁵ Interview with an expert from SIKa(2), p.8.

there is no agreement as to a common goal, even if environmental interests dominate the committee. The few business representatives and the environmental actors share no common ground whatsoever. Neither can a common ground be found in relation to the Ministry for Finance. There is no longer a financial need for raising revenue and the ministry does not readily accept the theory of fair and efficient pricing. The timing in terms of political and public attention to the environmental issue in general is neither as good as in the case of the Committee for Environmental Taxes, due to the economic crisis. However, the timing is not bad either, as for instance the Rio Conference keeps up an interest in the environmental area. Nevertheless, the name of the game is not collaboration, but open fight.

This is not really taken into account by the majority of people in the Committee of Communication and they do not in any persuasive way try to build a coalition in favour of their interests. To a large extent, the leading people in the Committee of Communication create their own world of understanding, without truly noticing what goes on around them. As one observer puts it: "They did not seem to be fully aware of the existing reality".¹⁶ Instead they put down a lot of resources to take out a rational and professional policy-making material based on the ideas of fair and efficient pricing. The committee puts a lot of trust into the power of the better argument — at least on the ideal plan. When calculations of the external costs of different transport modes in the second report in practice result in a suggestion to lower the tax on petrol, the political members of the committee abandon the theoretical point of departure arguing that "the energy tax even has a fiscal function" (SOU, 1996:165, p.84).

One and a half week before the final report is turned over to the Ministry for Communication, a small part, concerning road pricing in the bigger cities, leaks to the press. The press sells the story of road pricing as a 'big brother' terror vision with a social imbalance and an aim to pull out money from the pockets of the citizens. Headlines such as "Traffic only for the rich?" and "New car ring shall fill up the state treasury" show up in the newspapers.¹⁷ On the whole, the work of the Committee of Communication is given a most critical, if not directly hostile treatment in the press. And the car and trade organisations launch a smear campaign in the media against the committee. Also on the administrative arena, the committee work meets a lot of resistance. The Ministry for Finance rather reluctantly helps the Ministry for Communication to work out a law proposal. In the end, the media pressure causes the government to hand in a harmless bill. The principle of internalising the external costs of each mode of the transport sector is kept, but a lot of reasons on why not to do it right now are presented. Instead, a new committee is handed over the responsibility to "analyse the suitable weighing between sales tax, vehicular tax, energy and CO₂ tax with the aim to improve the total steering effect as regards traffic safety and environment" (Dir. 1996:37). Even this committee's work fails. The Ministry for Finance is in charge of the work and is not keen to

see a new way of understanding car-related taxes influencing policy-making. Bit by bit the original task is changed from being a rather progressive task of taking into account environmental and traffic safety concerns in the shaping of a tax system, to become a quite traditional task of technically simplifying the vehicular tax. We shall not go into the detail about how the Swedish Ministry for Finance actually manages to do this. Instead we turn to the Danish case, where we will learn about the dominating dynamics of the Danish central administration.

3.4. The Danish case

Compared to the Swedish case, the Danish Ministry for the Environment plays a more significant role within the transport area in the 1990s, at least in the beginning. Along with most of the green organisations and a majority of the political parties in Denmark, the ministry focuses on the environmental issue of CO₂ emissions. Thus, the issue of CO₂ emissions becomes a leading story line in the first part of the 1990s. An essential achievement of the environmentally oriented actors in the beginning of the 1990s is the establishment of quantitative environmental goals within the area of transport. The CO₂ emissions' goal, in particular, becomes sort of a lever to induce changes in the car taxation system. In relation to the CO₂ emissions' goal, the rearrangement of the car taxation system is considered essential by the environmental discourse-coalition, especially the petrol tax is singled out as an important measure to meet the new demands. In the first half of the 1990s the dominating perspective as concerns the environmental debate about car taxation is thus ecological economics. Another interesting thing about the Danish case compared to the Swedish case is the fact that Denmark has a Ministry for Finance that takes care of the overall economic development and a Ministry for Taxation, whose sole purpose it is to handle tax related issues. There is a distinct discursive difference between the two economic ministries. The Ministry for Taxation speaks explicitly from the perspective of a traditional welfare economics, whereas the Ministry for Finance is also tentative to the perspective of environmental economics. Thus, in the beginning of the 1990s, even the Ministry for Finance is positive towards the issue of CO₂.¹⁸

In the second half of the 1990s, the Ministry for Transport gets a more prominent role within the area. As with Sweden, this indicates that the perspective of environmental economics starts to influence the attempts to adjust the car taxation system to environmental aims. At some point, the Economic Council, a hard-core economic advisory council, is legally prescribed with the task of scrutinising the environmental area. This finally redefines the rules of the environmental discussion as being within the limits of environmental economics. Thus we can observe the same discursive transformation as in Sweden. The perspective of ecological economics is

¹⁶ Interview with a civil servant at the Ministry for Communication, p.3.

¹⁷ Nya Norrland, 10 March 1997 and Nerikes Allehanda, 10 March 1997.

¹⁸ In publications from the ministry it is pointed out that model calculations reveal only modest decreases in growth and consumption, if an international and rather large CO₂ tax is introduced slowly. The possibility of a double dividend—achieving both improved environment and improved efficiency in the economy—is also recognised (Ministry for Finance, 1993 and The Economic Council, 1993).

over time replaced by the perspective of environmental economics as the dominating frame of reference. *Fair and efficient pricing* becomes the dominating story line in the second half of the 1990s in the Danish case. At some point the Economic Council carries out calculations demonstrating the inefficiency of reducing CO₂ emissions from the transport sector and the fulfilment of the CO₂ goal within the transport sector is questioned (*The Economic Council, 1996*). This change of attitude has fatal consequences for the fulfilment of the CO₂ objective.¹⁹ In the late 1990s politicians start to talk about “breaking the curve” of CO₂ emissions rather than fulfilling the CO₂ objective.²⁰

As in Sweden, predominantly traditional growth and welfare-oriented arguments cause the taxes to change in the 1990s. More than in Sweden, however, it is only a narrow circle of people in the Ministry for Taxation and the Ministry for Finance, who make the actual decisions concerning the outlook of the car taxation system. In 1993, e.g. Denmark also initiates a large tax reform, where the Ministry for the Environment attempts to influence the process just like the Swedish Ministry for the Environment did in 1991, but without any luck. We shall not go through the specific Danish arguments, however, and discuss if and how they differ somewhat from the Swedish case. Instead, we shall hear about the policy-making process from 1995 to 1997, in which the vehicular tax is changed to become a so-called green ownership tax. What is particularly interesting about this process is the fact that the Ministry for Taxation takes an environmental initiative on its own. Secondly, we also get a closer picture of the dynamics that prevail within the Danish central administration.

In 1995, a group of car organisations in Denmark presents a proposal for a new tax system ‘Car taxes in 2005’ to the Minister for Taxation. Basically, the proposal suggests to transfer the tax burden from buying a car to using and owning a car. A gradual reduction in the registration fee in the period up till 2005 should be financed, partly by a new ‘green’ ownership tax based on petrol economy, partly by a raise in petrol taxes. The new green ownership tax is thought to replace the old vehicular tax based on weight. The proposal is thought to prompt a better environmental behaviour, to adjust the level of the registration fee to a European standard and to do this without the state losing any yield. Thus, it is a suggestion, which tries to take into account the main interests of relevant actors. The Minister for Taxation is very positive towards the proposal. He accepts the invitation to further discuss the proposal. This is the first time ever that the Ministry for Taxation invites the car organisations to participate in ministerial work. Normal practice of the ministry is to go its own way as far as it can, even with regards to other ministries. There are several reasons, why the Minister for Taxation accepts the invitation from the car organisations with enthusiasm. Among them, the Minister for Taxation needs to profile himself in public. As referred to in a memo from a

meeting with the minister: “The law program of the fall is extraordinarily thin and in the apartment for small things. [The minister] needs a flagship. The reorganisation of the car taxes could be such a flagship”.²¹ What really makes the difference, though, is a need for adjusting the airbag deduction in a—politically speaking—painless way. The airbag deduction is a transport safety related deduction in the sales price. The more airbags you have in the car, the higher deduction. The state treasury simply loses too much money on that behalf, since “the cars [are] stuffed with airbags”.²² Using the adjustment of the car system as a veil, the Ministry for Taxation simply aims to remove most of the airbag deduction.

Having received the proposal from the three car organisations in the spring of 1995, the civil servants put it through the well-established logic of the Ministry for Taxation during the summer. Bit by bit, it is torn apart and changed into something harmless, only a step away from the status quo. We have seen this way of acting before in Sweden: When the Swedish Ministry for Finance was forced to consider the practical implications of environmental demands on the tax system they little by little changed the task of integration into a task of simplifying the tax system. Now the Danish Ministry for Taxation applies the same ‘salami’ method.

First of all, the suggested petrol raise is cut out, due to a dogmatic economic interpretation of the situation about border trade and the political situation with the pro-car party CD in government.²³ What is left of the tax proposal is the wish to transfer some of the tax burden from the registration fee to the green ownership tax.

To double up the existing vehicular tax and to cut down the registration fee correspondingly, as the car organisations suggest in their proposal, is found a little too “drastic”.²⁴ For one thing the accumulated capital value of the cars has to be considered, due to the registration fee. Cutting down the registration fee drastically would negatively affect all previous car owners. Secondly, raising the existing vehicular tax drastically over night and gradually reducing the registration fee would postpone car sales, and consequently the state would lose money. Besides, after the petrol tax is left out of the picture, the registration fee is hard to surpass from an environmental perspective. Instead, small steps based on the existing tax system are recommended.

Regarding the green ownership tax, several “well-known tools” based on weight are suggested instead of a brand new tax based on petrol economy.²⁵ Making the tax curve steeper is one of the tools. Rewarding the cars, which fulfil the EU

¹⁹ This change in attitude also has to do with failing attempts to initiate a CO₂ tax on an EU level and the increasing awareness that the goal of CO₂ reduction conflicts with the most important governmental goal of them all — growth and welfare. Growth and welfare induces more transport, which induces more CO₂ emission.

²⁰ Interview with a former Minister for Transport, p.2.

²¹ Skatteministeriet.26 June 1995. Bilbeskatning. Referat af møde d.26 juni 1995.

²² Interview with the former Minister for Taxation, p.6.

²³ The border trade problem is a problem that has haunted Danish car taxation policy since the 1980s. In order to avoid a distorted economic system with people travelling to Germany to buy cheap German petrol and other goods the petrol tax is bound to follow the German petrol tax. This makes it politically difficult to raise the petrol tax.

²⁴ Skatteministeriet.10.kontor. 15 august 1995.Notits om overvejelser om vægt- og registreringsafgifterne i tilslutning til det samlede udspil fra automobilbranchen. jnr. 10.95–533–284.

²⁵ Skm. 21/8/95. Til skatteministeren. Vedr. Augustmøde med A.I.S., D.A.F. og F.D.M. J.nr. 10.95–590–27. Akt 35.

2000 emission norms before time is another and indexing both the green ownership tax and the registration fee is a third. As regards the registration fee, the revenue from the removal of the airbag reduction could be used to move upwards the point, where the tax scale changes, thus cutting down the registration fee. Basically, the Ministry for Taxation is reluctant to look at any new or “drastic” models for the tax system and any talk of bringing in the petrol tax is banned.

The rest of the policy-making process is centred on a pure power play in which the Ministry for Taxation regards itself as an island trying to manoeuvre among other islands to put itself in an advantageous situation, irrespective of the other islands. Indeed, the process shows that the Ministry for Taxation at times feels more allied with the car organisations than with any of its ministerial equals.²⁶ All of which is shown in the following quote from a ministerial minute: “The decisive question is, whether we are prepared to reduce the registration fee/increase the vehicular tax. Seen in isolation, we might be prepared to do this, but the attitude of the environmental fundamentalists (parts of the Ministry for Transport, the Ministry for the Environment, and the Transport Council) and probably also the Ministry for Finance are more unsympathetic. They would rather see all taxes as high as possible and clearly they would prefer higher vehicular tax and unchanged registration fee. The Ministry for Taxation can easily stir up a hornet's nest. A lot of interests are attached to the car area, and it is almost impossible to satisfy everybody. We do not possess the strength to be on a deviant course with the other ministries. If at all a reduction of the registration fee shall be brought up, it probably demands small reductions little by little, not tied together by a greater plan. Furthermore, it probably demands that the funding is definite, and finally that the car organisations look upon the rearrangement with some kind of sympathy. If we support pronounced reductions of the registration fee too positively the other ministries will mobilise and we will lose”.²⁷

During the power play an array of strategies are employed by the Ministry for Taxation — as well as the other actors. Using the power of jurisdiction to decide what is possible to put on the agenda and who is allowed to participate in the policy-making process is a principal strategy of the ministry. In an interview, the Minister for Taxation even speaks about it as being a “golden rule for politicians” to keep down the number of participants, if one wants something done.²⁸ This is a result of the common rivalry between the different ministries. It is everybody's fight against everybody with the aim to push through ones own agenda and at the same time secure an optimal amount of popularity and economic means for ones own ministry.

²⁶ It should be pointed out that according to interview the habit of regarding other ministries as enemies rather than allies is a quite common practice within the central administration (Interview with a former personal secretary of the Minister for Transport, p.1, Interview with the former Minister for Taxation, p.7).

²⁷ Briefing to the Minister for Taxation about the rearrangement of the car taxes. No date, probably August 1995.

²⁸ Interview with the former Minister for Taxation, p.11.

Reducing the parties involved in policy-making is a principal strategy to survive.²⁹

The environmental actors, such as the Ministry for the Environment, also use their power of jurisdiction, as they seek to gain influence by demanding to become part of the policy-making process. Another environmental actor, the independent Transport Council, is invited to participate in the process after carrying out feasibility studies of the different tax proposals discussed during the process. The car organisations suddenly realise that the feasibility studies support a green ownership tax based on petrol economy, as they suggest. Consequently, they initiate that the Transport Council is invited to participate in the policy-making process. Along the way the Transport Council involves the press in the process, thereby giving the public arena a significant role. Both the involvement of the media and the carrying out of feasibility studies cause the Ministry for Taxation to adjust to the demands of the environmental discourse-coalition.

As the policy process unfolds, it becomes more and more evident that the Ministry for Taxation would rather like to keep things unchanged. Therefore the environmental actors and the car organisations build up an alternative green majority in order to have the green ownership tax based on petrol economy instead of weight. Besides being part of the original proposal from the car organisations, a tax, which is based on petrol economy, makes a lot more sense from an environmental point of view. A factor that paves the way for collaboration with the car organisations is also the use of legitimate and widely respected consultants on the part of the environmental actors. Thirdly, when the car organisations realise that the Ministry for Taxation wants to remove the airbag deduction they get a certain reservation in their cooperation with the Ministry for Taxation.

In the end and as a result of the power play, in 1997, a green ownership tax based on petrol economy is decided upon in the parliament just as the airbag deduction is reduced. The environmental effects of the green ownership tax are deemed modestly by environmental organisations and transport researchers. The surplus yield from the new green ownership tax is not used to lower the registration fee. Neither is the yield from reducing the airbag deduction. In the last part of the policy-making process, the Ministry for Finance enters the scene and collects the money for other purposes.

4. Discussion — an inquiry into the powers of stability and change

It is evident from the case stories that the dominating neoclassical economic discourse has been particularly robust and resistant against the alternative discourses. The existing dominating institutional system related to car taxation deals

²⁹ Another way is to shove difficult problems off on other ministries and according to the Minister for Taxation this is exactly what the Minister for the Environment does being so preoccupied by the thought of adjusting car taxes to environmental aims. It is “a quite common traffic” to act like this and he “would do exactly the same” if he were to be the Minister for the Environment (Interview with a former Minister for Taxation, p.8).

only superficially and disengaged with the immense environmental problems that face the transport sector of today.

4.1. *Stability rather than change*

If we look specifically at the development in Sweden in the 1980s and the 1990s, the introduction of environmental demands has had a varied affect on the area of car taxation. What started out so promising towards the end of the 1980s ended up almost as nothing towards the end of the 1990s. Judging from the actual events, the Ministry for Finance is still the dominating actor within the field and car taxation is still primarily a matter of yield, growth and welfare. In cases where this understanding has been encouraged, or at least not challenged, the environmental framing has had success. The differentiation of the petrol tax to encourage the introduction of unleaded petrol and the differentiation of the sales tax to encourage the introduction of the catalytic converter are examples of changes, which do not challenge the existing order. The introduction of a CO₂ tax in relation to a larger tax reform is an example of a tax change, which actually benefits the existing dominating order. In situations where the environmental question clashes with more essential concerns of the dominating discourse, the dominating actors have successfully acted to encapsulate or roll back the attempts of shaping the tax system according to environmental aims. A clear example of this, we see in relation to the Committee of Communication, when the car organisations launch a smear campaign in the media against the work of the committee.

The lasting impact on the social practices, which surround the three taxes is equally missing in the Danish case. Just as in Sweden, the scales tip exclusively in favour of a traditional growth and welfare-oriented framing of car taxation. The economic ministries have been increasingly able to reject environmental demands on the car taxation system; if they have not at the same time served more traditional economic aims. The way in which the Ministry for Taxation exploits the environmental issue in the case of the green ownership tax to create a good image is worth noting about the Danish case in particular. Thus, the dominating actors do not at all take the environmental question seriously. At best, the environmental question is considered an opportunistic possibility to gain easy political points.

Overall then, in terms of change, it seems fair to conclude that for a while around the turn of the decade in 1990, environmental concerns structure discourses within the area of car taxation in both countries, whereas the level of discourse institutionalisation is never really reached. From an institutional point of view, the environmental question is regarded as 'a one time occurrence' in both countries. In this sense, the case study has to a large extent been an inquiry into the powers of stability rather than the powers of change.

4.2. *Ways to keep up status quo*

The way, in which the dominating discourse-coalition has actually kept up status quo in cases, where a tax change would not serve more traditional economic aims, is rather intriguing. Judging from present case stories, it is easier to maintain power than to obtain power over a policy area like car taxation.

One of the main strategies to keep up status quo is to deny environmental actors access to the central decision-making circles. The case stories show several examples of this. One of the best examples being the policy process related to the green ownership tax. Even the ministerial colleagues to the economic ministries are denied access as far as possible. It may be that both the Swedish and the Danish governments have environmental goals within the transport area, but the relevant ministries do not cooperate in order to reach the goals. On the contrary, the economic ministries do not feel committed to ensure that the goals are reached. Environmental goals within the transport area are the responsibility of the Ministry for the Environment and the Ministry for Transport. The policy-making process related to the green ownership tax reveals the rules of the game of the administrative power play within the central administration. Basically, this is a game of honour and influence in which one does the best to protect and promote one's own area of jurisdiction. This is a game, which obviously carries a high priority within the central administration.

Once the environmental actors can no longer be denied access, other strategies are available to keep up the status quo. One of them is the salami method, another is delaying tactics and a third one is the use of jurisdictional power. The salami method is used in several policy processes to change a challenging environmental agenda to a more traditional economic agenda. Little by little an argument bound in the old regime is used to cut off a slice of a proposal to change the car taxation system according to environmental aims. For instance in the Danish policy process related to the green ownership tax the Danish Ministry for Taxation argues that shifting the tax burden from buying a car to using a car would put the present car owners in a bad position. As a consequence of this and other arguments the registration fee is left out of the equation, thereby amputating the original proposal. Delaying tactics are used to prolong the process or perhaps to wear out environmental actors. A good example of this we see in the Swedish policy process related to the Committee of Communication. When the Ministry for Communication receives the proposal from the Committee of Communication they want to work out a tax related law proposal. They do not, however, possess the knowledge to do so by themselves and the Ministry for Finance does not show up until late in the process, when it is actually too late to work out a proposal. As mentioned, jurisdictional power is a third good power base and used for instance to shape the content of directives. These strategies are of course also used by the environmental discourse-coalition whenever possible. It is however easier to obstruct, to deny and to delay, if the aim is to avoid rather than to obtain something.

In both countries, it is noticeable that the more the environmental side of the power struggle wants to be taken seriously by the economic actors and the closer they get to the site where the outlook of the car taxation system is decided upon, the more they are forced to use a discursive approach which resembles the dominating discourse. And the more the environmental case is argued on the premises of the dominating logic the more difficult it becomes to argue for genuine changes. This is illustrated in the policy-making process related to the Danish tax reform, which we briefly touched upon in the Danish case story. At some time shortly before the tax reform actually takes shape, the Ministry for the Environment tries to

“legitimise increased taxes on the transport area”.³⁰ The ministry, however, turn to the use of monetary valuation, probably as a way to face the rationality used by the dominating actor, the Ministry for Finance. However this strategy inevitably invites a discussion centred on the value of the figures, letting the more general reasons fall into the background of the discussion, on why impose increased taxes on the car owners. As the Danish case story unfolds, we see how this narrowing down of the discussion is accelerated, when a high profile concerning the CO₂ objective is undermined by moving the argumentation from the realm of CO₂ emissions to the realm of *fair and efficient pricing*. The transition is accelerated, when the Ministry for Transport and not the Ministry for the Environment gains a more prominent role within the policy area. Especially the entrance of the Economic Council changes the rules of the game as the room for discussion is narrowed down to a socio-economic discussion of the CO₂ emissions goal. The broader and more sustainability oriented framing of the problem loose ground. Argumentation along the line of an ecological economics approach is left to the more inferior environmental organisations in Denmark.

Overall, in both countries if one follows the environmental discourse-coalition within the policy area and attends conferences, public meetings and committee work, the substance of the interaction is discussing principles for a rearrangement of the car taxation system. If one follows the dominating economic discourse-coalition, one attends narrow policy-making circles in which one does not discuss but do politics. The difference between the two types of discourse-coalitions is power.

4.3. The merits of the alternative green discourses

We now turn to a discussion of the alternative green discourses and how far they actually manage to change the existing regime within the policy-making area of car taxation in Sweden as well as Denmark.

Sweden is first and foremost an example of environmental economics at play. *Fair and efficient pricing* is seen as the principal way in which to bring about a more efficient transport system and a more fair treatment of different users. Some of the most dominating actors within the area of transport in Sweden, the Ministry for Communication, the Swedish Society for Nature Conservation and SIKÅ all eagerly use the perspective of environmental economics to argue their case. Thus, it is characteristic of the Swedish case that *fair and efficient pricing* has had a rather large success in persuading some of the most dominating actors to get motivated and active to the benefit of the environment. Taking into account the rather technocratic and cost-responsibility oriented approach within the transport area this is no surprise. The discourse of environmental economics neatly fits the dominating policy-making style and the dominating policy-making instruments used within the area, thus placing rather legitimate arguments in the hands of green actors. It is also a fact, however that arguments for fairness and efficiency have not been able to bring about environmental improvements on its own terms. The environmental economics approach still has to prove its worth within

the old arena of growth, yield and welfare arguments. In relation to the Committee for Communication we see an excellent example of this, when the calculations of the external costs are only taken into account as far as they underline the dominating interpretation of growth, yield and welfare. It is also worth underlining that the more general public has not been persuaded by *fair and efficient pricing*, certainly not as the story line has been related to slogans like “big brother is watching you” and “traffic only for the rich?” as we saw it in the case of the Committee of Communication. *Fair and efficient pricing* is not a story line that is able to bring about the same passion, as for instance the story line of the car, which is associated with freedom, individuality and welfare. Seen from this perspective *fair and efficient pricing* is a dull and technocratic story line.

In Denmark, the green interpretation of car taxation has been more in line with the perspective of ecological economics. The presence of a comparatively stronger Ministry for the Environment and a weaker Ministry for Transport has made it more obvious to focus on the global problem of CO₂ emissions, among other things. Only partly, however, can the Danish approach be described as an ecological economics approach. As discussed in Section 2.2, this discourse involves the use of an evolutionary strategy, an extensive participatory approach and the use of indicators and multiple variable analyses of some kind to fulfil the description. Looking more into detail at the Danish policy-making processes, it is evident that the objectives, environmental understanding and ethical implications of an ecological economics approach have been highly present, whereas the policy-making style and the use of policy-making instruments have been more traditional. The use of an alternative policy-making procedure is not on the agenda. This is best illustrated in the policy-making process related to the Danish tax reform. As earlier referred to, when the Ministry for the Environment tried to “legitimise increased taxes on the transport area”, they turn to the use of monetary valuation. They do not argue on the basis of the need for behavioural change and they do most certainly not argue for a participatory approach. The participatory characteristic of the ecological economics approach is actually best illustrated in the Swedish case, where the participation of external actors is quite formalised. In Denmark, the aim of involving a larger array of participants is more accidental. In neither of the cases, though, do we see the participatory approach used along the lines of an extended peer community.

Taking CO₂ emissions as the leading story line has been an equivocal success for the green discourse-coalition in Denmark. On the one hand it has had power to catch attention and it certainly fulfils the press-related need for a potential catastrophe. On the other hand it looks as if the story line, at least within the transport area, where no technological fix is visible, has had difficulties in engaging environmental actors. It is not possible to judge the efforts of the Ministry for the Environment or the Ministry for Transport in any deep sense of the wording, since the case story has consequently followed the story of the car taxes and scrutinised the actors that came along from this perspective. It is evident however, that none of the two ministries have been offensive and visible within the area. On the goal setting side the Ministry for the Environment has been offensive; but then again this is also an area within their own jurisdiction.

³⁰ DMU. 25 februar 1993. Vedr. Udvalg om miljøafgifter på trafikområdet. J.nr.02105-0002/1.

What we want to illustrate here is that neither *fair and efficient pricing* nor *CO₂ emissions* have been taken seriously in the ministerial fight for influence and honour. It might be that *fair and efficient pricing* fits the dominating transport political understanding within the central administration and use well-known policy instruments, but apparently it has no appeal to a broader audience in the face of story lines like welfare, growth and freedom. The lack of appeal certainly makes it a doubtful case for any government or ministry for that matter. In the case of *CO₂ emissions*, it might be that it has a certain public appeal, but in the daily lives of ordinary people, it fails to deliver a persuasive answer to the question of why one should choose the bike or the bus instead of the car. All benefits lie in the distant future, it seems, whereas all the costs have to be paid here and now. There is no well-articulated, positive vision of an ecological transformation in the short run attached to the *CO₂ emissions* story line within the area of car taxation.

Summing up both approaches have had difficulties in making a difference within the area of car taxation. Especially, the ecologically superior perspective of ecological economics has proven difficult to put into work, whereas the more practical perspective of environmental economics has had little persuasive power.

4.4. Ways to initiate change

Even if the overall picture is stability, there have been successful attempts to change the car taxation system in order to reach the environmental aims both in Sweden and in Denmark. In some cases even attempts, which go beyond the convenience and acceptability of the ruling discursive regime. In the following, we shall go into detail about these changes in order to learn about the possibilities of changing the car taxation system. The interesting question is under which circumstances the alternative discourse-coalitions have actually managed to initiate environmentally benign changes. Two case stories will inform this discussion in particular. One is the Swedish policy process related to the Committee for Environmental Taxes, the other is the Danish policy process related to the green ownership tax.

What we learn from the Swedish case first and foremost is that timing is important. The policy process is blessed by an immense public focus on environmental issues, environmental taxes are seen as new promising measures and there is a need to rearrange the tax system anyhow. On top of this, important actors in the green discourse-coalition are bridge-building activists that manage to establish collaboration with actors from the economic discourse-coalition possessing practical tax knowledge. Both timing and coalition-building abilities contribute immensely to the establishment of an environmentally differentiated sales tax. A third important factor is also worth underlining. The changes in question, a rise in the petrol tax and a new sales tax, do not significantly challenge the existing dominating understanding and practice related to the use of a car. It is basically possible to continue the existing dominating way of life.

From the Danish case we learn that it is important to master feasibility tools and thereby be able to assess environmental consequences of a suggested tax system change. If it had not been for the trustworthy evaluations of the different tax system

proposals the Ministry for Taxation would not have been forced to choose the environmentally better option. The Danish case also informs us that gaining access to the policy process and building coalitions with other actors are vital in order to influence decision-making. As opposed to Sweden, the Danish central administration has no tradition to set up committees with a broad representation from outside stakeholders, certainly not within the area of car taxation. Finally, the Danish case teaches us that the presence of an independent council with a legitimate access to the media is a factor, which makes a difference, while trying to gain influence on policy-making. Knowing that the independent Transport Council participated in the policy-making process had a balancing effect on the activities of the Danish Ministry for Taxation.

5. Concluding remarks — making green discourses matter in policy making

It is evident from the case stories that cars and car taxation are phenomena with deep cultural and economic meanings attached. Any attempt to change perceptions and ways in which to deal with them are bound to meet resistance from significant forces in Swedish and Danish societies. The task of changing existing policy-making dynamics within the area of car taxation should not be underestimated. In fact, the most likely scenario is that a traditional economic rationality will continue to dominate the policy-making area of car taxation in the future. This does not imply that environmental concerns will not be taken into consideration in the future. Rather, it implies that only the changes, which keep up the existing order, or enhance the narrow power-related interests of the dominating actors, will materialise more or less easily. The rest is a power struggle in which timing, coalition-building, persistence and thorough knowledge about the field in question is of importance. In this struggle change agents will also benefit from an ability to rethink dominating ways of thinking and doing in an environmentally benign way. A rethinking that is based on environmental values, while at the same time holding positive visions, which are ‘compatible’ with the existing dominating discourse. Borrowing a term from Throgmorton (1996), we may say that “persuasive story telling” is what is called for. A persuasive story is a story that is both able to imagine and articulate a new path into the future and able to persuade the key actors that such a path is both possible and desirable. No environmental agent in this study has been able to persuade key actors that such a possible and desirable path exists within the car area, revealing the critical nature of the car area as such.

Thus, in order to answer the three questions posed in the introduction as concerns the area of car taxation: (1) The reality in which alternative green discourses have to make a difference, is a reality marked by a traditional economic rationality, ministerial power struggles and narrow technocratic decision-making circles. (2) The existing policy-making regime will act to black-box environmental initiatives that do not at the same time benefit the existing regime by denying, delaying and delimiting the activities of green actors. (3) Consequently, alternative green discourse-coalitions may have an impact on the policy world to the extent that they are able to display

persuasive story telling and combine it with power struggle abilities like coalition-building, timing, persistence and thorough knowledge of the field in question.

Turning once more to the article of Shi, several points are important to make, when taking into account the car taxation cases from Denmark and Sweden. For one thing, the cases underline the argument of Shi that there is a need to develop alternative ways of policy-making, if environmental concerns are to be taken seriously. Government alone cannot provide the basis for making informed decisions about environment and development. Correspondingly, it is also in line with the cases to argue that current policy-making can be improved by involving diverse groups of actors. It is, however, incomplete to consider this involvement from a learning perspective only. Shi argues that “[t]he driving force to incorporate ecological economic rationality into policy-making must come from the learning that ensures through a well facilitated process of active public participation” (Tian Shi, 2004:33). The Danish and Swedish cases teach us that incorporating an ecological economic rationality into policy-making is not a question of learning and communication. It is a question of different worldviews struggling to gain influence. Reality is far away from “a collective argumentative process, with different questions and possible priorities put forward, evidence gathered and arguments built for and against different positions” (Faucheux and O’Connor, 1998 quoted in Shi, 2004:29). Reality teaches us to differ, when an effort is worth the while — timing is important. Reality also teaches us to be sensible towards the process of power struggle. As one environmental actor in the Swedish case study puts it, “to be right is only 10% of success, the rest is the process”.

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