Seminar 9 (Simulation) — Coal, Cars, and Commitment

IR227 Politics of Change — alternative seminar format

July 2026

What you'll do in 90 minutes

[Bridge to seminar] *It is late 2019. The Coal Commission's January 2019 report sits on the government's desk, waiting to become law. Three weeks ago, Tesla announced its first European Gigafactory in Grünheide, Brandenburg — the same state whose Lusatian lignite region the report is about.*

- First, together: score Lecture 7's seven conditions against *this* case.
- Then, three teams: the Lusatia mining delegation writes a demand memo; Tesla's Grünheide public-affairs office writes a market access plan; the federal working group (BMWi/BMU) writes a white paper.
- Same shared scorecard, three seats at the table. Plenary is a live three-way hearing.

Three methodological points up front

1. This is a three-way distributional conflict, not a two-way one — Aklin-Mildenberger's four dimensions don't sort neatly into "sides."
2. The commitment-problem lens (Lecture 5) is the mining delegation's weapon and the government's design constraint: every promise should be pushed toward a specific institutional mechanism.
3. Tesla is not a stand-in for "industry." Its factory is a green-industrial-policy carrot whether or not anyone frames it that way — the question is who spends it, and how.

Three teams, one hearing

	Mining delegation	Tesla Grünheide	Federal working group
Deliverable	Demand memo	Market access plan	White paper
Core ask	Statutory, just transition	Fast, clean market access	Hold coalition, build cond
Primary tool	Commitment-problem lens	Streeck-Thelen mechanisms	Conditions-as-strategy

∼4–5 students per team. Each team owns one confidential-ish role brief from `ta/case-09-sim.tex` plus a short intelligence note on the *other two* sides. All three also share the scorecard built in the next segment.

Recap: the seven conditions checklist (Lecture 7)

Framework: Conditions for environmental-governance success

1. Scientific consensus + epistemic community.
2. Concentrated industry / affected actors.
3. Available technological substitutes.
4. Asymmetric costs favouring cooperation.
5. Distributional mechanisms.
6. Institutional design (monitoring, verification, enforcement).
7. Political leadership.

Lecture 9's Act 1 scored these against climate *in general* — mostly weak. Now score them against *this* case, together.

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- **Available substitutes:** partial. Renewables for power: mature. A Gigafactory 35km away: a substitute for the region's economic *identity*, not for a lignite miner's job.
- **Asymmetric costs favouring cooperation:** partial, by design. The €40bn fund and *Anpassungsgeld* exist specifically to flip concentrated-cost/diffuse-benefit into something workers can accept — if the compensation is credible.

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- **Political leadership:** present at the founding moment — the Coal Commission itself was a deliberate act of leadership; variable afterward.

What the scorecard tells us

- This case scores far better than the generic climate case on conditions 1, 2, and — by design — 4 and 5, because someone deliberately built them.
- Condition 6, credible institutional design, is the one nobody has yet finished building. That is what tonight's negotiation is actually about.
- This is Lecture 9's "conditions as strategy, not given" argument, live: don't wait for favourable conditions — build them. (Recap two slides ahead.)

Keep this scorecard visible or handed out — all three worksheets reproduce it as shared reference.

Recap: Aklin-Mildenberger's distributional-conflict reframing

Framework: Four dimensions of within-country distributional conflict

1. Industry vs. industry.
2. Concentrated transition losers vs. diffuse winners.
3. High- vs. low-income households.
4. Current vs. future generations.

Climate politics is domestic distributive conflict, not primarily free-riding. Ask which dimension is binding for each team — and whether a second one is hiding inside their own side.

Recap: the commitment-problem lens

- Governments cannot always credibly promise future compensation; workers who doubt it will materialise have every incentive to block reform now, while they still have the power to do so.
- A 20-year, €40bn fund is only as good as the institutional guarantees behind it: statutory entitlement vs. discretionary budget line; independent monitoring; a judicially enforceable timetable.
- This is the mining delegation's central argument *and* the government's central design problem — same fact, opposite seats.

Recap: Streeck-Thelen's institutional-change mechanisms

Framework: Five modes of gradual institutional change

Drift (rule unchanged, environment changes); conversion (rule redirected to new purposes); layering (new rule added without repealing the old); displacement (old rule actively replaced); exhaustion (institution withers).

Ask, for each side, which mechanism it is trying to engineer for *itself*:

- Mining delegation: defending against *exhaustion* of a discretionary fund?
- Tesla: is its arrival a *conversion* of the region's political identity, or *layering* — a new institution beside the old coal economy, not replacing it?
- Government: is the Structural Adjustment Act *layering* onto federal-fiscal architecture? Is the phase-out timetable a genuine *displacement*?

This is Tesla's primary tool this session — the market access plan should name one mechanism and use it.

Recap: conditions as strategy, not given

Framework: If conditions are weak, build them

- Invest in **substitute-technology availability**.
- Design **distributional mechanisms** (just-transition support, climate finance) at credible scale.
- Identify and empower **pro-regulation firms** (Lecture 7's Kennard insight) $\rightarrow$ coalition-building.
- Build **institutional design** that produces credible commitment (independent bodies, binding sectoral targets, constitutionalised commitments).

Conditions are not given — they can be built. This is the federal working group's primary framework: propose an ideal policy combination across these four levers, targeted at the condition-6 gap the class just scored.

Recap: asset revaluation and the green-industrial-policy coalition

- Colgan, Green and Hale: decarbonisation revalues assets; “existential politics” is the struggle over whose assets rise and whose fall. Lignite devalues by design; clean-tech land, labour, and identity revalue upward — often in the very same region.
- Meckling and colleagues: green industrial policy builds the coalition that later makes harder measures sustainable — nearly two-thirds of 54 carbon-pricing jurisdictions installed a feed-in tariff or RPS first. Tesla’s factory is this kind of carrot, whether or not any team frames it that way.
- Secondary tool for Tesla and the government; not the headline framework for either.

Tasks

- Setup and role assignment (8 min)
- Score the case together (10 min) — the seven conditions, walked against this case, using the slides above.
- Team drafting (25 min) — all three fill in **goal / strategy / how**.
  - Mining delegation: demand memo.
  - Tesla: market access plan.
  - Government: white paper.
- Hearing prep (10 min) — each team selects two spokespeople.
- The Lusatia hearing (25 min) — 5 min presentation each, 10 min TA-moderated cross-examination.
- Debrief and reveal (12 min).

Debrief — what actually happened

- KVBG and the Structural Adjustment Act were adopted 3 July 2020, broadly following the Commission's report — but the institutional-design gap the class scored was only partially closed.
- Tesla's Grünheide plant (production from March 2022) hired its own workforce largely independent of Lusatia's transition programmes — the substitution risk the mining delegation should have anticipated. IG Metall's works-council push remained unresolved for years.
- The 2022 irony: the Rhenish phase-out accelerated (2038 $\rightarrow$ 2030) *and* coal/lignite capacity was temporarily retained for energy security — clean and dirty stayed entangled longer than 2019 rhetoric assumed.
- Bridge to Lecture 10: if one wealthy state's coal-region transition is this hard to make credible, what does that imply for climate-displaced populations crossing borders with no Coal Commission and no fund at all?

Three things to take away

1. A three-sided negotiation splits interests in ways a two-sided one doesn't — naming who agrees with whom, and why, on which specific point is the core skill.
2. Conditions for governance success are not given — they can be built. This case shows six built and one still missing; the fight was always going to be about the seventh.
3. Institutional-change mechanisms and green industrial policy are coalition tools, not automatic solutions — they only work if someone deliberately connects them to the people who need them.

Tomorrow: demographic and migration governance — where climate-driven displacement enters the analytical landscape directly.