

Abstract

“Understanding the Legitimation of Controversial Institutions: Stakeholder Critique and Legitimation of the EU Emissions Trading Scheme (ETS)”

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Legitimacy matters. It empowers an authority in three crucial ways: it ensures support, compliance and low levels of opposition. It is also assumed that democratic institutions must rely on legitimacy to transform their power into authority and to function effectively. However, it seems that legitimacy is a fragile relation that can be questioned and endangered by the smallest of events. Misbehaviour, controversial decisions or poor performances seem to be reason enough to question an institution's legitimacy. Nevertheless, it must be acknowledged that in many instances, the contestation leads neither to a downfall nor to destitution or disempowerment. How can controversial institutions avert running into a legitimacy crisis? **How can institutions that fail to meet the normative criteria of legitimacy and that are broadly criticised remain legitimised?**

The present dissertation contributes to answering this research question in two stages. Firstly, it explores the theoretical aspects of the question and advocates a sociological approach to the study of legitimacy (Articles 1 and 2). The main benefit of this approach is to define legitimacy as a social relationship, rather than a feature institutions can develop unilaterally. Article 1 lays out the conceptual groundwork of this dissertation. It justifies why a sociological approach to legitimacy is needed and clarifies the distinction between legitimacy and legitimation. Then, borrowing concepts from Boltanski and Thévenot's pragmatic sociology, Article 2 distinguishes amongst different degrees of legitimacy problems (legitimation problems, legitimation crisis, and legitimacy crisis). It introduces a model that details the mechanisms that transform institutional deficiencies into legitimacy problems or even a legitimacy crisis. In doing so, it spells out the necessary conditions for an institution to experience legitimacy problems and offers a theoretical explanation to the dissertation's research question.

Secondly, the empirical part applies this sociological approach to a particular case study, namely stakeholder legitimisation of the Emissions Trading Scheme (ETS) of the European Union (EU) (Articles 3 and 4). By contrast to many previous studies, the empirical analysis does not rest on predetermined standards or objects of legitimacy; it explores the “legitimacy relationship” between the constituency and the authority without assuming *a priori* what the former expects from the latter. Article 3 investigates how stakeholders legitimise the ETS. The aim is to understand *what* they justify. They criticise the policy, the authority and the decision-making process, but they justify the institution’s grammar of commonality. These findings show that, although an institution might be criticised in many aspects, its legitimacy might not be challenged as long as the constituency finds one element to legitimise.

Lastly, Article 4 explores further why the ETS has not run into legitimacy issues by analysing stakeholder criticisms. It demonstrates that, at the moment, the ETS is legitimised mainly by the insiders, the stakeholders who contribute to institutional negotiations. Outsiders, on the other hand, fail to make their voice heard within the institution and fail to politicise the ETS and its deficiencies outside the institution. It illustrates empirically what Article 2 develops theoretically: one necessary condition for an institution to run into legitimisation problems is its politicisation. As long as the ETS remains a technocratic issue, its legitimacy will not be challenged. However, if citizens gain awareness of the matter and question the ETS in the public sphere, the EU might have a hard time justifying this controversial institution.

The research concludes that the ETS is legitimised; however, it is not legitimate. Like most institutions, the ETS faces a legitimacy deficit: according to stakeholders, “what is” is not totally aligned with “what ought to be”. However, despite its shortcomings, it remains justified by a significant part of the constituency.

These empirical findings highlight the difference between normative and sociological legitimacy. The successful legitimisation of the ETS among stakeholders does not imply that it fulfils the criteria of legitimacy developed in normative theory. The policy has not yet proven its effectiveness or its merits; the institution is still broadly criticised: its lack of transparency, inequality among stakeholders and the Commission’s lack of neutrality are seen as severe shortcomings. A legitimised institution is not a perfect one.