What Can the Environmental State Actually Do? Three Critiques and Their Limits

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Abstract

Three critiques of the environmental state shape the discussion of its possibilities and limits. First, states are deemed structurally unable to mitigate climate change due to the "glass ceiling" of systemic transformations. Second, governments play contradictory roles in sustainability transitions because of the manifold societal demands they are facing in an age of overlapping crises. Finally, state bureaucracies and agencies are often branded "lame ducks" that prefer to uphold the status quo and stall sustainability transformations. We argue that those critiques describe important but not *ultimate* limits for the environmental state to reach at least Paris-aligned decarbonization targets by mid-century. On the contrary, bureaucratic agency, specialization, and coordination offer real possibilities for state-led decarbonization beyond the limits of existing environmental governance. We describe these possibilities and propose a research outlook for global environmental politics that emphasizes the importance of empirically dissecting the environmental state and its various apparatuses and functions.

Keywords: Environmental state, climate crisis, bureaucracies, environmental governance, decarbonization

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The environmental state debate represents a long and vital thread in environmental politics and beyond.[1] In this intervention, we tackle a tension at the heart of *contemporary* debates around the limits and potentials of state-led green transformations. Decades of neoliberal globalization have weakened both the material capacities and the perceptions of statecraft in addressing "wicked problems," such as growing inequalities or climate change. Hollowed-out state apparatuses, governments struggling with legitimacy problems, and decimated bureaucracies are common in many states around the world. Modern states

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1. For pertinent overviews of various aspects of this debate, see Eckersley (2004, 2020) and Barry and Eckersley (2005).

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are seemingly ill prepared for meeting a challenge as comprehensive as the climate crisis. Accordingly, prevailing doubts about whether the (environmental) state is able to organize and safeguard even the bare minimum objective of decarbonizing our economies until the mid-century are not surprising (Blühdorn 2020; Hausknost 2020).

Notwithstanding these limitations, the contemporary critique of the environmental state significantly underestimates its capabilities for realizing concrete and attainable transition goals, such as decarbonization. Although some state apparatuses were decentralized and hollowed out during decades of "new public management" reforms, others became more powerful. Especially those apparatuses and entities that traverse the state–market divide—central banks, development banks, sovereign wealth funds, state-owned enterprises, and others—gained significant influence and resources in a globalizing world (Alami and Dixon 2024). States are far from being unitary actors, and the hollowing out of regulatory aspects of state power took place in parallel with the strengthening of its economic clout, especially in global markets (Babić 2023). Although the accumulation of such economic weight under "internationalized" state apparatuses (see Brand et al. 2011) is not a quick solution for *immediate*, deep socioecological transformation, it can be an important asset for the "next best transition steps" (Eckersley 2021, 247) toward a sustainable global economy. Empirically speaking, states have never been further away from being unitary actors than today. This can clearly be a weakness of many states to pursue and enforce environmental regulation—but it can also empower large and important state apparatuses to green the financial system (Jackson 2024), discontinue (state-controlled) fossil energy generation (Van Asselt and Newell 2022), or revive industrial policies in a green fashion (Allan et al. 2021).

Our proposition is to reverse the fundamental critique of the environmental state: instead of (rightly) pointing out the inability of contemporary states to solve the sustainability crisis of global capitalism, we seek to illuminate the abilities of the state to steer the global economy toward Paris-aligned decarbonization targets by mid-century. We claim that this is possible on the basis of the economic power amassed by various state apparatuses over the last decades. Although our argument has less applicability to states with weak capabilities, it is relevant to all the states that matter the most for global decarbonization, that is, the most polluting states, given the close association between state power, affluence, and carbon emissions. Exploiting this fact is the first important milestone in a temporally sequenced path toward global sustainability. We do not know much about what lies beyond this "next best step" of global decarbonization—especially when it comes to "deep," system-transforming sustainability transitions (Johnstone and Newell 2018)—but we do argue that the first step must be taken by placing environmental states more centrally in global decarbonization efforts. This involves substantiating the three main critiques of the environmental state and their limits, which we do in the following pages,

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before sketching the possibilities for state-led green transformations in a research outlook.

Three Critiques and Their Limits

The first critique of the ability of modern states to confront climate change poses a systemic question: if economic growth remains a state objective in capitalist societies, are systemic transformations toward sustainable economic activity doomed to remain a pipe dream (Hausknost 2020)? Such a view denies states the capacity to incentivize or regulate economic actors toward sustainability for structural reasons: the depth and radicality necessary to remove carbon from economic activities require far-reaching interventions into capitalist socioeconomic reproduction that would contradict other state goals and state legitimation as such (Douglas 2020; Fischer-Kowalski 2011). For example, environmental states would have to intentionally strive for limitations to economic growth and thereby potentially (but not necessarily) accept worsening material conditions for their citizens. Degrowth theorists, who accept some of the core tenets of this systemic argument, hence strive to make the case for both the impossibility of green growth and the desirability of degrowth for improving the well-being of people (Buch-Hansen and Nesterova 2021). Regardless, addressing this dilemma would require systemic transformation for which environmental states as they present themselves today are neither capable nor likely agents (Hausknost and Hammond 2020).

There are two core objections to this critique that we want to point out here. First, although there is ample evidence to support the systemic glass ceiling argument (see, e.g., Hickel and Kallis 2020), we emphasize the important distinction between such systemic transformations and lower-level goals like global decarbonization. The latter is both technically and sociopolitically feasible and can be obtained, for example, through forging low-carbon coalitions and sequencing decarbonization policies that "topple" incumbent carbon coalitions (Meckling et al. 2017). A case in point is Germany's coal phaseout law, passed in July 2020, which uses a series of auctions to retire coal-fired power plants through offering taxpayer-funded compensation to their operators. While the policy has faced criticism, particularly regarding the length of the phaseout timeline and potential overcompensation to coal companies, it illustrates how carefully designed state planning can act as a tool to integrate conflicting policy objectives and reduce resistance from incumbent carbon coalitions (Srivastav and Zaehringer 2024).

A second challenge to the described critique comes from the newer environmental state literature itself. This scholarship does not focus on "states" as unitary actors but rather disaggregates their various functions and apparatuses. Authors identify different segments of the state that would be key to achieving greater sustainability and contribute to realizing a "greener" economic model (Alcañiz and Gutierrez 2020; Borrás and Edler 2020; Rea and Frickel 2023).

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Welfare-providing agencies and functions of the state are one example of such a potentially decarbonizing segment of modern environmental states (Bailey 2015). Another example are state apparatuses like the Swedish Environmental Agency, which compiles knowledge and develops and implements environmental policies on behalf of the Swedish government. It played a crucial role in the introduction of the Swedish Carbon Tax in 1991. Arguably, in absence of such a tax, emissions from Swedish manufacturers would have been 30 percent higher (Martinsson et al. 2024). Over the years, the agency has faced significant resistance from other state actors, with scholars identifying Sweden as a country with notable interministerial tension regarding climate policy instruments (Neby and Zannakis 2020).

Other important agencies are central banks, which amassed powers in the last decade that make them key (state) players for green transitions (Gupta et al. 2023; van't Klooster 2021). These studies reject a reification of "the" state as structurally incapable but emphasize the strategic potential of the "internal differentiation" of modern states to decarbonize (Koch 2020, 121). In short, the state remains from this more disaggregated perspective the core actor for developing strong institutions and apparatuses that are indispensable for transitioning toward renewable energy systems (Hasselbalch et al. 2023). By focusing on the task of putting decarbonization chronologically first, the glass ceiling of the environmental state becomes less of a systemic obstacle today. On the contrary, imagining and developing concrete, attainable decarbonization strategies today lays an important building block for conceptualizing systemic transformations tomorrow.

The second main argument does not presuppose a structural barrier to decarbonization but seriously questions the ability of modern environmental states to govern in the climate crisis. In this view, states are increasingly overburdened by ongoing economic and social crises and demands, which leads to a questioning of (environmental) state capabilities and legitimacy (Paterson 2016). Regarding capabilities, Alami et al. (2023, 2) diagnose a "governance trilemma" of climate, economic, and demographic crises that makes "the task of state governance fraught and contradictory" for environmental states. Especially the challenges of secular stagnation and falling growth rates make it difficult, albeit not impossible, for private and public actors to accelerate decarbonization processes financially and politically (Copley 2023). With regard to political acceleration, the respective scholarship focused for a long time on legitimacy problems of *international* climate governance (Bodansky 1999; Hay 1996). However, the development of environmental state policies in the last decades increased tensions on the national level to a degree that has led to diagnoses such as an "eco-political dysfunctionality of democracy" (Blühdorn 2020, 38). Beyond theoretical considerations, the backlash against environmental policymaking—such as carbon taxes or combustion vehicle phaseouts—is real and increasingly contests the legitimacy of the environmental state (Patterson 2023). Different from the structuralist glass ceiling argument, the overburdening

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thesis describes a set of political trade-offs that is not a priori inscribed into the state but politically created and mediated—and is hence solvable under changing power relations and socioeconomic circumstances.

Such doubts about green state capacities mirror critical scholarship from the 1970s and 1980s that diagnosed an overburdening of the postwar Keynesian welfare states by increasing societal demands and economic crises (see, e.g., the "ungovernability" thesis in Offe 2019). In contrast to this period, however, today's modern state forms have at least the bureaucratic and organizational *capabilities* to engage in sustainability transformations (Widerberg et al. 2024). High-income countries in the EU and the United States created "hidden" developmental capacities critical to technological innovation in the last two decades (Block 2008). This also applies to the environmental state, which expanded in regulatory terms in both Western and non-Western countries (Sommerer and Lim 2016). In many instances, this environmental expansion is taking place against the resistance of powerful social groups, such as organized business, which states can confront through expanding strategic state capacity (Meckling and Nahm 2022). Consequently, Linda Weiss (2012) argues that especially in nonregulatory areas, such as state-led investment, the last decades saw an expansion of state (economic) powers rather than a subjugation under neoliberal rule. Again, more fine-grained and disaggregated analyses of state bureaucracies and apparatuses show that the thesis of an overburdened state is at least challenged by the fact that many states developed additional "transformative" capabilities over the last decades, especially when it came to sustainability issues (Borrás et al. 2023).

The third critique of state capabilities in the green transition relates to precisely this bureaucratic differentiation. Early environmental demands in the United States and elsewhere were met with resistance by bureaucracies, treating those as just another emerging interest group (Wandesforde-Smith 1971). Bureaucracies were hence, and are still today, often portrayed as obstacles to environmental and sustainability regulation (Biesbroek et al. 2018, 778; Singer 1982). This lasting characterization also flavored the foundational work in political theory on the ideal-typical conceptualization of the green state, where bureaucratic organizing tended to be cast as a structural impediment in the way of the necessary transition toward more democratic, bottom-up governance modes (Eckersley 2004). One key element of this critique relates to the gap between routine bureaucratic governance, on one hand, and disruptive climate change, on the other hand (Rahman and Tosun 2018). Not only are bureaucracies thereby criticized for doing too little to mitigate and adapt to climate change but their role in raising economic costs through bureaucratic "hurdles" (such as the EU carbon border adjustment tax) is often the target of corporate critique (Kurmayer 2023). From a critical perspective, bureaucracies and other state apparatuses are sometimes portrayed as instruments of state authority, serving status quo interests rather than accelerating rapid and just transitions (Ford and Newell 2021, 5). Paradoxically, bureaucracies can then be evaluated

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both as "lame ducks" unable to engage in climate action due to low state capacity and as powerful instruments bolstering the endurance of incumbent fossil regimes at the same time.

However, the actual role bureaucracies play in climate policy is often more ambiguous than these negative images suggest. Bureaucracies can also be dynamic organizations and innovate in the face of crises requiring fundamental shifts, such as the climate crisis (Jordan and Huitema 2014; Rahman and Giessen 2017; Tosun and Howlett 2021); bureaucratic autonomy in policy implementation can prevent common pitfalls in climate policymaking, such as regulatory capture (Meckling and Nahm 2018); and government agency funding and risk taking have proven to be crucial for innovation leaps, including "green" innovation (Block 2008; Mazzucato 2015). It would also be impossible to plan, finance, and implement the large-scale integration of renewable energy technologies without energy agencies and planning bureaucracies organizing the required changes to energy grid infrastructures (Christophers 2024). The long-standing generalized critique of bureaucratic organization getting in the way of effective climate policy is rarely backed by concrete, empirical cases and examples. On the contrary, a stronger case is emerging for building bureaucratic capabilities to drive sustainability and address grand challenges (Borrás 2019; Kattel et al. 2022). In short, bureaucratic organization in the environmental state seems to be what states and societies make of it.

We summarize all three critiques and our objections in Table 1. Taken together, these three core critiques are important and relevant, but not *limiting*, factors for thinking about state-led decarbonization as a first step toward deeper

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Table 1
Summary of the Three Critiques and Our Objections

Critique	*Level*	*Objection*
Glass ceiling thesis: States are incapable of systemic transformation.	Abstract	Sequencing leaves room for transitions below the systemic level. A disaggregated view on state apparatuses emphasizes this transition potential.
Overburdening thesis: States cannot govern sustainably in the polycrisis.	Mid-range	The overburdening thesis ignores the expansion of (some) state capacities in the last decades.
Lame duck thesis: Bureaucracies are status quo powers, but the climate crisis is disruptive.	Concrete	The critique of bureaucracy is generalized, but the empirical reality shows its potential for accelerating decarbonization.

sustainability transformations. The discussed theoretical, empirical, and practical scholarship implies that the role of the state in the green transition is much more malleable than its critics argue. This is especially due to the differentiation and sophistication of many state apparatuses in the last decades, bringing about powerful and often relatively autonomous entities that straddle the state–market divide and enable states to become global market powers (Babić 2023; Weiss 2012). At the same time, the three core critiques provide important guardrails for rethinking the role of the environmental state for the twenty-first century. For example, the glass ceiling thesis remains a key structural barrier for "deep" socioecological transformation. Furthermore, despite the potentials outlined in this section, research on bureaucratic organization—and especially its interdependence—in the environmental state is still in its infancy. In fact, despite a few notable exceptions (e.g., Ban and Hasselbalch 2025; Haas 2021; Meckling and Nahm 2018, 2022), environmental politics research has largely ignored questions of organizing the various state apparatuses for the green transition. We consequently turn to the prospects of advancing this shift in research focus.

New Paths Toward State-Led Green Transformations

We propose a research pathway that builds on the major argument underpinning our objections to the various critiques: the environmental state is not a unitary actor but represents a sometimes more, sometimes less stable configuration of social forces, institutions, bureaucracies, agencies, and policymakers. This insight is not exactly new (see, e.g., Jessop 1999; Poulantzas 1968), but its reassessment is crucial in light of the climate crisis. Dismissing the environmental state due to systemic or structural barriers risks reifying "the" state as a unitary actor. Praxis-oriented environmental state research is well advised to take the existing critique seriously—but at the same time, research must advance toward empirically and conceptually delineating potential ways out of this impasse.

Taking the nonunitary nature of the environmental state as a departure point is, in our opinion, an excellent first step in this endeavor. Many state apparatuses can and do already form powerful alliances within and across state boundaries to push their own and other governments toward decarbonization. This is a key ingredient for enabling systemic transformations later on. Various central bank technocrats and financial supervisory bodies coordinated transnationally in creating the Network for Greening the Financial System in 2017 to counter the stalling of the global green transition caused by the first Trump administration (Helleiner et al. 2024). In 2019, more than ninety finance ministries around the world formed the Coalition of Finance Ministers for Climate Action (2019) to "accelerate a just transition to a low-carbon and climate-resilient economy." And in cases like Norway, we can observe how highly specialized and successful state entities like its sovereign wealth fund push for

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more sustainability where other state actors are stalling (Greenpeace Nordic 2023). A disaggregated view on state entities can also highlight tensions and obstacles within environmental states (Nahm and Urpelainen 2021) and provide important insights for climate action going forward.

A nonunitary view of the state also helps us shed more light on the possibilities for accelerating decarbonization through new forms of internal coordination and rearrangement of agencies and institutions within the state. As we have argued, the state as a contested social field comprises a landscape of entities with varying degrees of economic clout, political agency, democratic responsiveness, and sustainability ambition. How can alignment on deep and rapid decarbonization be assured for such varied actors? A new agenda on ecological or green economic planning is emerging on this question (Ban and Hasselbalch 2025; Durand et al. 2024; Sorg and Groos 2025). Drawing from historical examples, such as indicative planning in France, contemporary examples, such as energy planning in Denmark, or more recent experiences with state planning during the COVID-19 pandemic, these studies suggest that certain configurations of state entities and policies can be highly effective in guiding decarbonization while overcoming political or industrial obstacles.

There are two important connections to be made from the environmental state debate to this literature. First, what are the implications of the broader politics of sustainability for the strong environmental state agenda we are suggesting here? State bureaucracy tends to be viewed as a critical factor in the implementation of sustainability policies, but not as a political actor in its own right. The examples we touched on here (central banks, finance ministries, state-owned enterprises, sovereign wealth funds, energy planners) all suggest that certain state entities have more scope than others to exert their own agency and political weight. This in turn means that we must consider state agencies, and specifically bureaucratic competition, as a distinct research area of crucial importance in the politics of sustainability. How can environmental states build stronger "catalytic institutions" (Hale 2020) or "commitment devices" (Jordan et al. 2022) that tie state and nonstate actors into ambitious climate commitments—both inside and across national borders? Answering such questions means unpacking the apparatus of the state, its various entities, and their relationships in more detail. It also means engaging more directly with the question of institutional legitimacy and democratic constraints. What are the political repercussions of a stronger environmental state, and how does it balance democratic responsiveness with technocratic efficacy? Would a strong, green planning state mean a departure from Eckersley's (2004) original normative aspirations for bottom-up democratic involvement, or is there no trade-off between a green planning bureaucracy and democratic input? Which kinds of political coalitions might emerge in favor of stronger environmental states? These are all pertinent questions for future research.

Second, dispelling the unitary actor view of the state also forces us to consider the implications for international climate governance and global

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environmental politics. It is a well-recognized fact that the Paris Agreement on Climate Change in 2015 brought the nation-state and domestic politics into sharper focus for scholars of climate politics (Falkner 2016). The rise of green industrial policy has made climate politics a new area of interstate competition as countries jostle to develop and scale up critical green technologies and control key parts of the value chain and raw materials (Allan et al. 2021). This competition has been dramatically sharpened after the reelection of Donald Trump in the United States as old alliances are abandoned and autocrats emboldened. The implication for environmental states is that we are likely to see strong state action for decarbonization in the short term by states like China, but it is unlikely to look like anything imagined by environmental state scholars (see Mann and Wainwright 2020). States like China and Germany view the decarbonization of their energy systems as directly connected to geopolitical concerns over energy security (Babić and Mertens 2025).

Other aspects of green industrialization also align security and climate concerns, such as massive investments into dual-purpose technologies that find uses in energy and cleantech as well as military applications. Geoeconomic competition and green industrialization could create cadres of green planners and new institutions and bureaucracies that coordinate investment and development in this changed risk landscape. For scholars of global environmental politics, it should be a primary concern to connect these changes to domestic environmental state structures, especially new green bureaucracies (green central banks, sovereign wealth funds, state-owned enterprises, etc.), to geoeconomic developments to answer emerging research questions: How should we understand the interaction between geopolitics and the environmental state? What options exist for international cooperation between environmental state entities in different countries? Can such cooperation contribute to deescalating tensions and reorienting states toward deeper socioecological transformation in the longer term—or will the military-environmental state succumb to securitization and exacerbate conflicts over access to resources in a warming world? If global climate governance is reorienting toward domestic politics and state-led decarbonization, then the disaggregated view of the environmental state brings many such complex interactions to the forefront of environmental politics.

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