

POLITICAL ECONOMY, POLITICAL ENTREPRENEURSHIP AND BIOFUELS REGULATION IN THE US

Paula T. Moura

Dr. Michael Sykuta, Thesis Supervisor

ABSTRACT

This paper draws on theories of regulation from the political entrepreneurship and political economy fields to explore the dynamics of the US biofuels market. The conducted case study addresses questions regarding the life cycle and development of this industry and attempts to identify the actors, the roles they play(ed) and the driving forces shaping it. Archer Daniels Midland (ADM) is identified as having played a significant role through exercising immense political entrepreneurship, which laid ground for the present market. As the market matured, profit incentives stimulated the emergence of competing actors, who in their combined actions, shaped regulation of the biofuels industry. Although interest group action may not be the only factor explaining the creation and persistence of the US biofuels market, I conclude that it is a significant factor.