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**THE NEW MEMBER STATES
AND THE IMPACT ON ENVIRONMENTAL POLICY**

SUMMARY FINAL REPORT

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I. OBJECTIVES

In 1995 the European Union was enlarged to include Austria, Finland and Sweden, and at the time of their accession it was expected that these new Member States could provide a significant impetus to EU environmental policy.¹ The purpose of this project has been to analyse the role of the new Member States in EU environmental policy and their possible impact.

There were basically three reasons for expecting an impact on EU environmental policy:

- a) The enlargement changed *inter alia* the existing balance in the Council: along with the previous forerunners in environmental policy (Denmark, Germany, and The Netherlands), the three new Member States are able to control a so-called blocking minority in the Council.
- b) The accession agreement allows the new Member States a transitional period during which they are permitted to maintain stricter environmental standards in specified areas. During this period, EU environmental regulations are to undergo a review in order to possibly bring the level of protection up to that of the new Member States.
- c) The three new Member States have both well-developed domestic environmental policies and a long reputation for active international diplomacy in regional and global environmental issues. The most fundamental impact expected from the enlargement was connected to the general stimulus which the new Member States could provide to environmental policy-making in the EU.

The purpose of this research project has been:

- to analyse and compare the development of domestic environmental policies from the early 1970s until today;
- to analyse and compare the development of foreign environmental policies with special emphasis on the relationship to the EU;
- to analyse the development of EU environmental policy with special emphasis on the mechanisms and opportunities for innovation as well as on the role that different actors play in the policy-making process;
- to analyse the role of the new Member States during their first year of membership and the significance of alliances, with particular regard to the cases of the Intergovernmental Conference and carbon energy taxation.

II. METHODOLOGY

The central research question of this project - the impact of the new Member States on EU environmental policy - had a rather practical and political character. Analytically, however, the role of the three new Member States has been investigated in close connection to that of the three existing Member States traditionally most committed to the environment. Both the theoretical and empirical analysis in this project focuses on those six countries and thus provided an insight into the impact of environmentally more progressive Member States on EU environmental policy in a more general sense. On the basis of that, it has been possible to draw more specific conclusions about the consequences of enlargement in this field.

The question of the impact of the 'green' Member States on EU environmental policy has in fact two aspects. Environmental policy at the EU level is what may be called the dependent variable. The ultimate goal of the research was to get a better understanding of the way EU environmental policy is affected by the last enlargement and, more generally, by the 'green' Member States. The independent variable in this analysis is the member state level. However, having an impact on the EU policy process is not like hammering a nail into the wall. Instead, Member States are part of the game themselves. Member States' EU standpoints are formulated partly in response to processes at the EU level, but domestic policies can also be directly or indirectly affected by EU decisions.

1. This project was designed in 1993, when Norway was still supposed to become a member as well, and at that time it was intended to cover only the new *Nordic* member states. After the negative outcome in the referendum in Norway, the attention was shifted to Austria. Although this country has less in common with Sweden and Finland than Norway, it can also be regarded as one of Europe's environmentally more progressive countries and thus constituted a suitable case. On the other hand, Norway remained an interesting case. As a member of the European Economic Area (EEA), Norway is subject to most EU environmental directives, and although without formal votes, Norway has in its own way become a player in the game. Norway is therefore still covered particularly in the comparative part of this project. In the analysis of the role of the 'green' member states in policy-making at the EU level, Norway is for obvious reasons considerably less visible.

Policy actors are working at both levels at the same time, and what they are doing at one level may have consequences at the other. Understanding a member state's behaviour in Brussels, in other words, is not possible without understanding the domestic context within that member state. From that point of view, an analysis of the impact of the 'green' Member States on EU environmental policy in the end entails an investigation of the continuous interaction between processes at the domestic and the EU level.

It is important to note that, theoretically speaking, the EU aspect and the domestic aspect of the research question correspond with two theoretical approaches that have been long separated. Until now, the prolific field of EU policy studies has, on the one hand, focused on the political game in Brussels itself, involving basically the Council, the Commission, the European Parliament and various types of private actors. This limitation can certainly be justified by the complexity of the research object, and several of those studies have indeed significantly contributed to the insight into the EU policy process, but there remains the disadvantage that Member States are in most cases largely treated as black boxes.

Various domestic policy approaches have, on the other hand, tended to explain the foreign policy positions of different countries on the basis of domestic constituencies and their interests and preferences and to neglect the dynamics of international policy-making. Traditional comparative studies aim at illuminating differences between countries in for instance institutional context, regulatory style, or policy performance, with the ultimate goal of improving our understanding of the respective national policy systems.

As Buller, Lowe and Flynn (1993) have pointed out, comparative studies do, however, have a great potential for the analysis of the transnational comparison of the domestic policies of different countries. In a number of recent studies, attempts have been made to close the gap between the domestic and the EU level. Some of them apply a comparative perspective, and this implies an interesting innovation in the study of comparative politics.

This project sought to contribute to this new line of comparative research by focusing on the interrelation between EU policy-making and the member state level. The present study investigated, on the one hand, the domestic background of the EU policies of six Member States and, on the other hand, the EU context in which these Member States 'meet' each other and may or may not be able to exert a certain influence. In doing so, the project should be seen as a contribution to a new line of comparative research.

The first phase of the project explored what may be called the systemic conditions for a 'green' influence on EU environmental policy-making. In the design of this phase, the two theoretical perspectives identified above can be recognised. On the one hand, the environmental policy-making system at the EU level was scrutinised with special emphasis on the potential points of access and available mechanisms for policy innovation. On the other hand, a comparative study of national environmental policy in the six 'green' Member States (plus Norway) was carried out to provide a systematic understanding of variations in the domestic basis of the EU policies of those countries. This analysis covered both institutional and conceptual features of domestic environmental policy and characteristics of 'foreign' environmental policy-making, i.e. the ways the international aspects of environmental issues are perceived, conceptualised, and translated into concrete policies. The findings of this comparative research were used to explain differences in positions and strategies at the EU level between the countries involved and to shed light on the potential for policy coordination and alliance-building between them.

The second phase of the project consisted of two case studies. The first one was about the strategies of the 'green' Member States in the first year after enlargement and included the environmental aspects of the preparations for the Treaty revision at the 1996 Intergovernmental Conference (IGC). The second case study dealt with the more specific subject of the domestic EU dynamics of carbon/energy taxation.

While the first phase relied on collaboration with subcontractors from political science departments in each of the countries studied, the case studies in the second phase were carried out by the project participants, and relied on systematic interviews (in the Permanent Representations and in Foreign and Environmental Ministries), professional newsletters, and national reports and documentation.

III. MAIN RESULTS

EU environmental policy can be said to have matured as a policy field and that it may hence become difficult for the new Member States to influence EU environmental policies simply by presenting their domestic experiences as examples worth transferring to the EU as a whole. Some 'windows' for change do exist, not only related to the transitional measures, but also in connection to the outcome of the Intergovernmental Conference. The more

specific mechanisms available to the actors of the system to promote innovations were analysed, and by relying on a policy network understanding of the EU policy-making process, the opportunities for the new Member States to influence EU environmental policy through the different institutional channels are explored.

The research investigated the new Member States and the significance of possible alliances between them and the other 'green' Member States. For this purpose, the point of departure was the observed reciprocity of the EU policy-making process, i.e. the continuous interplay between policy-making at the domestic level and at the EU level. While we originally assumed that a certain degree of coherency in environmental policy among the three new Member States and the other 'green' Member States might lead to the formation of *de facto* alliances in EU environmental policy-making, it became gradually clear that the interplay between domestic and EU policies results in a somewhat more dynamic and floating formation of national preferences, causing the Member States to adapt their positions not only according to the preferences of their domestic constituencies, but also in accordance with the developments at the negotiating table in Brussels. On the one hand, it was noted that the so-called regulatory competition among Member States often furthers cooperation between Member States with more advanced national policies, but, on the other hand, it was also noted that environmental policy-making is locked in more broadly with the self-perceptions and strategies regarding European integration in general, and that the latter have caused the Member States (or perhaps rather their negotiators) to develop rather distinct strategies with regard to the Europeanisation of environmental policy and the relationship between domestic and EU policy-making.

Sweden has, although acting cautiously, been eager to influence the policy-making process and is likely to become the most activist of the new Member States. Sweden has displayed few illusions that 'setting a good example' will in itself make others follow the Swedish example in environmental policy-making. Rather, proposals and initiatives have gradually been forwarded and presented to the Commission with a claim for action, e.g. concerning the acidification issue.

Austria has been less activist than Sweden, but has nevertheless displayed a rather firm will to achieve certain concessions, especially in the crucial transport issue. In other matters, Austria has been slightly more leaning to the perception that other Member States can be influenced by presenting domestic Austrian policies as good examples (tropical timber, sulphur contents in oil).

Finland has appeared as a more timid forerunner and has been the least active pusher in EU environmental policy among the new Member States during the first year of membership. Few Finnish proposals have been produced, except for a request for a review of the environmental aid offered to Eastern Europe. Occasionally, the Finns have raised their voice to express dissatisfaction with the lowering of environmental ambitions (the Directive on Integrated Pollution Prevention and Control).

The positions of the three other Member States, which were the most pronounced forerunners in EU environmental policy earlier, were analysed on the background of a much longer record of membership. The Netherlands has developed a 'constructive pusher role', according to which solutions at the European level are preferred and cultivated.

Denmark has, despite its rather strong emphasis on the need for the 'environmental guarantee' (Art. 100A(4) of the Treaty), developed from being a 'defensive forerunner' into taking a more activist position as a 'watchful pusher'.

Germany was the engine of EU environmental policy in the 1980s, acting as a strong and deliberate pusher, but in the 1990s Germany acts less so, and its influence seems limited to the more blunt impact of its uncontested forerunner role in environmental standard setting.

In the first of the case studies, the specific developments during the first year of membership were investigated. Here, the theoretical understanding of the policy process was employed in an encompassing analysis of political developments following the accession. Since the project was initiated already in the summer of 1994, the impact of enlargement was rather a future-oriented, somewhat speculative research during a considerable part of the project period. By drawing on interviews carried out at the Member States' Permanent Representations to the EU in Brussels and in the Foreign and Environmental Ministries in the six Member States in late 1995 as well as on information derived from specialist newsletter sources, a general view of the processes at work in the course of the enlargement could nevertheless be provided. During this analysis, it was possible to trace the unfolding of the

distinct strategies developed by the six green Member States, both in day-to-day policy-making in the supra-national institutions as well as in preparation to the Intergovernmental Conference opened in early 1996.

In the second case study, attention was devoted to the issue of carbon energy taxation at the national level and in the EU. It offers a particularly critical case for the analysis of the innovation accruing from the new Member States. The analysis demonstrated the relative independence of domestic environmental policy-making as compared with EU policy-making, in particular, because there were also domestic backgrounds for taking unilateral steps in CO₂-taxation, both of a fiscal and vote-maximising nature. The analysis points further to the significance of the different strategies for how to innovate EU environmental policy and gave evidence for the increasing differences among perhaps in particular, on the one hand, Germany and, on the other hand, the five smaller Member States in environmental policy-making.

An analytical scheme was developed which distinguishes between four different ways of influencing EU policy-making, relating both to environmental and internal market aspects. These four methods or roles are denoted as 'pusher-by-example'; 'constructive pusher'; 'defensive forerunner' and 'opt-out'er', and can be used as a tool to classify specific roles that the Member States play in the policy process.

IV. SCIENTIFIC INTEREST AND POLICY RELEVANCE

(i) Scientific Interest and Novelty

As mentioned earlier the present project has tried to close the gap between two different strands of political science theory by combining them. In recent years, the need to develop a new approach by combining habitual comparative political studies with international relations theories, in order to establish a method for EU policy analysis, has often been stressed (Schumann, 1993; Hix, 1994). Although the present project has devoted limited attention to the basic theoretical aspects, it does nevertheless represent a step in this direction. In particular, the interface between network theory and the domestic politics approach was investigated.

Although network theory is being applied more and more frequently in studies of EU policy-making processes, particularly so with regard to EU environmental policy. The project served to show the limitations to the network-approach as well. While the network theory has its obvious merits in sorting out the decision-making processes during the Commission phase, it is a somewhat less useful tool regarding the actors at play during the Council phase of decision-making. The domestic politics approach postulates, on the other hand, that the outcomes of policy-making need to be seen in the perspective of domestic constituencies and their preferences. As such it is an approach that has a more predictive value as it infers from the existence of established national interests and institutions to the policies and positions which individual Member States develop and bring forward in Brussels. Still, the traditional intergovernmentalist view on the significance of domestic politics as well as some more rational-choice, vote-maximisation approaches were seen to be too mechanistic to fully comprehend the dynamics of domestic politics. Putnam's (1988) two-level theory was found to offer an important modification with its emphasis on the reciprocity between preference formation at the domestic and at the EU-level and was useful in understanding the often dynamic processes in which national positions are developed and determined. The various political and economic interest constituencies in the Member States, who help define the 'win-sets' of national governments, do not have fixed preferences, but alter and modify these with a view to the policy-making process in Brussels.

(ii) Policy Relevance

As to the more policy relevant implications of the research the following conclusions can be drawn that ::

- the six "green" Member States have developed different strategic orientations, which reflect the reciprocity between the preferences of domestic constituencies, the institutional constraints to policy-making, and the policy-making process in Brussels;
- in particular, Denmark and Sweden have an activist attitude and are prepared to take unilateral measures, and also Finland and Austria could be expected to do so on a more limited range of issues. The Netherlands and Germany, on the other hand, generally prefer the role as constructive pushers of EU environmental policy;
- no "green block" is likely to emerge in EU environmental policy-making, but the green Member States may act as the nucleus for more open-ended and shifting coalitions, which may work for a higher level of protection on a case-by-case basis (as the alliance between the eight Member States in the CO₂-tax club);

- the six "green" Member States possess the power to act as a blocking minority in the Council of Ministers and can thus generally hinder a lowering of existing environmental standards, but without Germany the smaller Member States have no blocking power;
- Germany's role in EU environmental policy has changed considerably since the 1980s. From being the engine of this policy, Germany seems to have retreated to a more passive position. Germany also seems to give more priority to alliances with France and UK;
- EU environmental policy has matured as a policy field, and the opportunities for presenting national experiences as models for European integration have narrowed, and the stakeholders in EU environmental policy are less prepared to support changes in existing policies where compromises have been reached;
- the outcome of the Intergovernmental Conference will be significant as a reflection of the political will among all the Member States for future environmental policy-making innovation. In particular if sector integration is given priority, new opportunities may arise for the new Member States to bring forward domestic examples and experiences to the policy-making process in Brussels. The fate of the environment guarantee is also likely to have profound implications, both for the freedom of action at the domestic level and for the stimulus thus provided, directly and indirectly, to policy-making in Brussels.