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Policy Note 1998:4

Who governs the environmental policy in the EU?

A study of the process towards a common climate target

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ISSN: 0804-4511

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25 November 1998

A dissertation submitted in August 1998 to the Department of Government, the London School of Economics and Political Science, in part completion of the requirements for the MSc in European Politics and Policy

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Acknowledgements

First of all I want to thank CICERO - Center for Climate and Environmental Research – Oslo for letting me write the dissertation at their office. This has made the work easier and much more enjoyable.

I am also deeply thankful to a number of individuals who gave me insight and help throughout the process. I would especially like to thank Prof. Simon Hix at the London School of Economics for encouraging my project, Senior Research Fellow, Ph.D. Lasse Ringius at CICERO, Prof. Arild Underdal at the University of Oslo and CICERO and Prof. Dag Harald Claes at the University of Oslo for fruitful discussions and comments. Mistakes and misunderstandings should however be subscribed solely to the author.

Marte Gerhardsen

Oslo, 25 November 1998

Contents

1 Introduction

1.1 The focus of the dissertation

The European Community (EC)[1] acted as one body at the United Nations Conference for Climate Change (UNCCC) in Kyoto in December 1997, and had the most ambitious proposal of all the major actors at the conference in terms of percentage reductions in CO_2 emissions[2]. This dissertation will discuss how the EU was able to agree on a common aim for reduction in the emissions of CO_2[3]. Who were the forces behind it and who worked against it?

In every complex process of decision-making, multiple interpretations are inevitable. Different analysts revisiting a sequence of group decisions will often draw contrasting conclusions as to the balance of causes of the final outcome (Mintzer and Leonard, 1994, p.23). This dissertation will not attempt to trace the intricacies of the decision-making process towards the final agreement, and provide the ultimate answer to how and why things happened. Rather it will attempt to identify the most important actors within the EU and their motives. Who where the proponents of a common EC target for reduction in CO_2 emissions and what motivated them?

Who were the opponents of such a policy and why? Was the final decision a result of bargaining among the member-states, or did other supranational actors such as the Commission influence the process?

1.2 The delimitation of the dissertation

This dissertation will first and foremost look at the roles of the Commission and the member-states. There are of course other actors that are important in shaping EU environmental policies such as the other EU institutions; The European Court of Justice and the European Parliament, and more informal actors such as the industry lobby and environmental groups. In the discussion about a common reduction target, Europe-wide industry organisations such as The Union of Industrial Companies and Employers (UNICE) and The European Chemical Industry Federation, were particularly active (Sebenius, 1995, p. 55). Environmental non-governmental organisations (NGO's) and the Global Legislators Organisation for a Balanced Environment (GLOBE) in Europe contributed to rising public awareness on the issue (EEA, 1998).

Together, all these groups were significant in order to shape the preferences and interests of both national and European actors. Recognising the importance of the informal actors, the main focus in this dissertation will be on the formal actors in the decision-making process.

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[1] It is the EC that has the legal competence in the area of climate policy. The EC is the former European Economic Community and after the Maastricht Treaty, the EC is one of the three pillars that constitute the European Union. This dissertation will hence refer to the EC climate target, but use the term EU when discussing policies and development in general. See Nigel Haigh (1996) for more discussion on this.

[2] The Association of Southern Island States, AOSIS, proposed a 60% reduction of CO2 emissions. Among the decisive parties to the Convention, The EC proposal was however the most ambitious.

[3] Both the EC reduction target and the final Kyoto target was based on reductions in several greenhouse-gases. Carbon dioxide is however by far the largest contributor to climate change, and for simplicity, this dissertation will refer to CO_2 emissions.

There are a number of theories on how the EU should be studied. The most fundamental discussion among scholars on European integration, is on whether it is the member-states or supranational institutions that are driving the process (Jachtenfuchs, Diaz and Jung 1998). This dissertation seeks to contribute to this discussion by identifying and examining the driving forces within the EU behind the common climate target of March 1997. Believing that the Commission and the Council are the key actors, the concentration will be on their role.

Secondly, the dissertation will focus mainly on the decision to have a common target, not on how to implement it. Since climate change first appeared as an issue on the political agenda in the Community, there has been an on-going discussion on which strategy, and what measures that should be applied to reach the stabilisation target, and later the reduction target. Particularly the proposal from the Commission of a common energy/ CO_2 tax was the subject of long-lasting and intensive debates (Lee, 1995 and Wagner, 1997). The scope of the dissertation does however not permit me to go into this discussion. The strategy-debate will only be referred to in order to explain the views of the various actors in the debate on whether the Community should have a common CO_2 target or not. Britain's lack of enthusiasm towards a common reduction target can for instance to some extent be explained by the possibility that this would entail a delegation of fiscal powers to the European level (Wagner, 1997).

A third delimitation in the dissertation will be in time. The debate on a common climate policy has been on the political agenda in the EU since the late 1980s and is still a much-discussed issue. The main focus here will however be on the period that started with the UN conference in Berlin the spring of 1995 and ended in March 1997 when the Environmental Council agreed on a common reduction target. The preceding process will be touched upon in order to give the context and a better understanding of the positions of the various actors.

1.3 Methodology

This dissertation will attempt to describe the process towards the agreement of March 1997. By looking at the various proposals put forward and the arguments applied to defend and oppose them, it will seek to understand the interests and roles of the most important actors. The study is mainly based on three sources of information, official documents, secondary literature and interviews.

Official documents and reports constitute an important part of the source material, as they provide the actual agreements and the factual background for the decisions. They are also interesting because they to some extent are applied by the actors to express their interests and intentions both before and during the internal process towards a common reduction target. One problem when analysing official statements is however the possible gaps between substantial and tactical interests. According to Dysvik (1997, p. 35): 'The fact that a political document states that something shall be done is not the same as it actually being performed.' It can therefore be difficult to reveal the 'true' preferences and interests of the actors.

Articles and books by other researchers are an important source, not only for the theoretical parts of the dissertation, but also for empirical observations. One problem has however been the restricted amount of written literature on the process itself. As the dissertation is looking at a very recent process, the amount of empirical literature concerning this particular period

has been quite limited. Still I find that the existing empirical material has been sufficient to give a realistic description of the process.

Finally, interviews have been used to some extent. Getting to the decision-makers in the process is beyond the scope of this thesis; however, interviews with observers of the process such as the Executive Director of the EEA and Norwegian government officials that participated in the international negotiation process, have provided valuable insight. Discussions with researchers in the field have also been useful and important.

To uncover what really happened, extensive knowledge of the motivations of the actors and the interplay between them would have been necessary. These sources have not been available, and the conclusions in chapter seven are hence not proposed as the complete and definitive explanation to why the EU decided on a common climate target.

1.4 The structure of the dissertation

First of all, the EC proposal to the Kyoto conference and its implications will be elaborated. Then the various theoretical approaches to environmental policy-making in the EU will be examined and discussed. This will be followed by a brief presentation of the process within the EU towards a common proposal on CO_2 reductions, and a more thorough discussion on the role and motives of the various actors according to the theoretical approaches. Finally there will be a discussion on which of the theoretical approaches that best explain the development towards the decision to have a common climate target.

2 A common climate proposal

2.1 The Proposal

In March 1997, the Environment Council adopted a common negotiating position on climate change for inclusion in the Community's protocol proposal to the UN Framework Convention on Climate Change (UNFCCC). The proposal was a 15% reduction in CO_2 emissions by 2010, compared to 1990 for all industrialised countries that are parties to the Convention. At the June Environment Council, Ministers also agreed to include an intermediate reduction objective of at least 7.5% for 2005[4] in the negotiating proposal.

The proposal was based on burden sharing where some countries, in particular Germany, contributed substantially to the total reductions[5] while the so-called cohesion countries[6] were entitled to increase their emissions in the period.

The rationale behind this burden sharing was that Member States that start from relatively low levels of energy consumption, and therefore low emissions per capita, should be entitled to have CO_2 targets and strategies corresponding to their economic and social development (The Council, 1997). They should therefore be allowed to increase their emissions of CO_2, while improving the energy efficiency of their economic activities.

The distribution of responsibilities among the member-states takes account of national circumstances and capabilities in sectors such as electric power generation, internationally oriented energy intensive industry, transportation, light industry, agriculture, households and services. Finally it takes account of the potential for energy efficiency improvement. The long-term aim is according to the Council a convergence of CO_2 emissions between Member States (Ibid). The proposal was conditional in the sense that it stressed that the final protocol from the UNFCCC in Kyoto would determine the final Community target.

The differentiation formula as agreed on the March meeting was as follows[7]:

4 European Council (1997) Community Strategy on Climate Change, Document 6309/07 Council conclusions

5 Germany's contribution in the March 1997 agreement amounted to over 80% of the total reductions.

6 A cohesion country is an EU member-state which GDP is less than 90% of the average GDP in the member-states. Because of this, the cohesion countries are entitled to financial support from the Community to ensure economic development. Today, Spain, Portugal, Greece and Ireland are in this category.

7 At this stage only 9.2% of the total reductio target was distributed. The remaining 5.8% were to be distributed after Kyoto (Ringius 1997)

Table 1: Changes in emission levels in 2010 relative to 1990 levels[8].

MEMBER STATES	EMISSION REDUCTIONS IN 2010 FOR CO_2 COMPARED TO 1990
BELGIUM	-10%
DENMARK	-25%
GERMANY	-25%
GREECE	+30%
SPAIN	+17%
FRANCE	0%
IRELAND	+15%
ITALY	-7%
LUXEMBOURG	-30%
NETHERLANDS	-10%
AUSTRIA	-25%
PORTUGAL	+40%
FINLAND	0%
SWEDEN	+5%
UNITED KINGDOM	-10%

Since the March 1997 agreement, the member-states percentages have been modified. In July 1998 the Environment Council presented the new obligations of the EC member-states. To comply with the Kyoto Protocol, the target years have changed to 2008-2012 in relation to the emissions in 1990. Some member-states have only adjusted their national targets to the new timetable, whereas other substantially has changed their target. The Netherlands, Denmark, Germany and Austria have all reduced their national targets with 4% - 12%. The cohesion countries have on the other hand strengthened their obligation in terms of lower increases in emissions. From expecting a 40% increase, Portugal has now accepted a 15% increase, while Greece has changed her target from 30% to 25% increase in emissions of CO_2[9]. However, despite these adjustments, the principle of burden sharing is still fundamental, and the implications of an EC climate target is the same.

2.2 The implications of the Proposal

The decision of March 1997 was unique for several reasons. Firstly, burden sharing in this scale is new both in the EU and in international negotiations in general. The concept of differentiated responsibilities has once before been applied in the Large Combustion Plant

8 Source: European Council (1997) Community Strategy on Climate Change, Document 6309/07 Council conclusions.

9 Council Conclusions (1998) Community Strategy on Climate Change, 16-17 June 1998

directive (LCP)[10], but then in a far smaller scale (Haigh, 1997). The greenhouse gas agreement is substantially more far-reaching and can have decisive impact on the development of future environmental agreements in the EU.

Another important aspect with the establishing of a common target in climate policy, are the subsequent limitations on other policy areas. Climate change is a particularly difficult environmental problem to deal with because of the close links between economic development and emissions of CO_2. Economic growth has till now almost been synonym to increased use of fossil fuels as oil, coal and gas, and thereby increased emissions of CO_2. A policy to prevent climate change will have fundamental effects on policy areas such as transport, energy and industrial development. Efforts to curb greenhouse gas emissions are multi-sectoral and costly, and will inevitably have implications for economic policy and social habits (Wagner, 1997, p. 298).

In the early phase of EU environment policy, the primary response to environmental problems was to correct environmental problems, as they appeared (The Commission, 1996a). Among environment policy-makers, there has however been a growing awareness that environmental problems are closely linked to other policy areas, and that environmental concern has to be integrated as a decision premise in other policy areas.

The fifth environmental programme of the EU 'Towards Sustainability' for the period 1992 – 2000, is based on this approach to environmental problems (Colliere, 1996, p 4). It stresses the importance of integrating environmental concerns into other major Community policies such as industry, energy and transport. Till now, there has however been no significant examples on these principles applied in practise. The completing of the Single European Market was pursued without consideration of its environmental implications (Weale and Williams 1993). One result of this was that the Commission had to conclude in 1996, that 'The objective of internalising the environmental costs of transport has not, on the whole, been put into practise' (The Commission, 1996a).

The same is happening with the energy marked. In July 1996, the Council decided to start deregulating the energy market with the aim of achieving lower energy prices. This will unquestionably lower the incentives for investments in energy efficiency improvements. According to Collier (1997, p. 16): 'little consideration has been given to these conflicts of interests' and she concludes that the introduction of a more sustainable energy policy, as referred to in the Commission's White Paper on Energy Policy, 'remains largely an illusion'.

Both transport and energy are crucial policy areas when it comes to reducing the emissions of CO_2. The implementation of the emission target will be impossible without a new approach to policy making in these sectors. The decision on a common climate target can therefore alter the way in which environmental policy is pursued in the EU, and make the ambitions of the fifth environmental programme become reality (Haigh, 1996).

As this discussion has shown, an effective EU climate policy will touch the core of policies for economic development. A third aspect of a common EC target is therefore that it will put severe limits on policy areas that previously were determined by the member-states. By establishing climate policy as a common policy, the member-states also transfer the competence for the setting of future national targets to the Council. The delegation of policies

[10] In the mid-1980s the EC agreed on an EC-wide reduction of Sulphur Dioxide from large combustion plants based on burden-sharing among the member-states.

to the EU level has until now, in all policy areas, implied that the future competence also is transferred to a European level (Haigh, 1996). Once a policy area has become common policy, new targets and aims in this area are also set on the EU level.

A forth consequence of the transfer of a policy issue or policy area from the member-states to a European level is that this gives the Commission the competence to represent the Community in international fora. The European Court of Justice (ECJ) stated in a ruling in 1971 that where the EC has legislated this automatically confers the powers to act externally (Wagner, 1997)[11]. Adoption of internal EC legislation leads to a loss in external competence for the member-states (Wagner, 1997 and Haigh, 1996). The external competence of the EC is based in the Treaty of Rome. According to article 210 and 228, the Community can enter into binding agreements and do thereby achieve what in international law is known as a legal personality (Hession, 1995)[12]

As this examination has shown, the setting of an EC target for reduction of CO_2 emissions has far-reaching consequences and entails a transfer of competence from the member-states to the EU (Haigh, 1996, p. 177). Before discussing why the EU embarked on a common climate target, there will be a review of various theoretical approaches to how EU environmental policy has developed.

[11] Since this ruling, the ECJ has repeatedly decided that competence for external affairs can be implied under the treaty of Rome (Haigh, 1991).

[12] As cited in Wagner 1997, p.302

3 Theoretical perspectives on environmental policy-making in the EU

Environmental policy was not mentioned in the Treaty of Rome, but has later become an important policy area in the EU. By looking at the amount of environmental legislation and directives, many have concluded that EU environmental policy has been a success (Ute Colliere, 1995). According to Johnson and Corcelle (1989, p. 2) environmental policy is 'not only a major Community policy, but also an undeniable success, despite certain gaps and weaknesses'. More than 200 directives and regulations covering a number of areas are in force, and five Environmental Programs have been produced. The Community has become the 'main driving force of environmental policy in Western Europe' (Wagner, 1997, p. 311), and it is now impossible to understand the development of the environmental policy in the member-states without reference to EU policy (Hertiere et. al, 1996). How can this development be explained?

There are various views on how the EU should be studied. One of the current debates is on whether the EU should be regarded as unique, a case 'sui generis'[13], or if it is possible to compare decision-making in the Community with decision-making in other political systems (Hix, 1998). Without going further into that discussion, this dissertation follows Hix (1998, p. 55), who argues that in the EU (as in all other political systems) the 'key determinant of political outcomes are the spatial locations of the actors, strategic bargaining between these positions, and the identity of the agenda-setters and veto-players'.

The main division among the scholars of European integration goes however between those who emphasise the role and importance of supranational institutions as a driving force in the integration process, and those who deny that they have such a role (Jachtenfuchs, Diaz and Jung 1998). This dissertation will examine two opposing views in this field, namely the neo-functionalist perspective and the inter-governmentalist perspective.

3.1 The neo-functionalist perspective

The neo-functionalists argue that the dynamics of integration are mainly mechanic in the sense that integration in one sector inevitably leads to integration in other sectors, the so-called 'spill-over' effect. Closer integration in terms of the development of common policy is thought to be more due to spill-over than to inter-governmental conferences.

The expansion of environmental policy in the EU is according to this view first and foremost a result of functional spill-over from the internal market. Different environmental regulation in the member-states causes trade distortion and necessitate action at the Community level. EU environmental policy is hence an answer to the shortcomings due to the conflict between domestic environmental policy and the single market. (Pollack, 1994, Hildebrand, 1993 and Ghering, 1997)

A neo-functionalist approach also emphasises the role of institutions in EU policy-making (Golub, 1997, Dysvik, 1997). By making proposals, facilitate bargaining and supply of

[13] One of the proponents of this view, Schmitter, has even argued in several articles that a new EU-vocabulary should be introduced to describe the special features of the EU.

organisational skills, the Commission can exercise task-oriented leadership and promote the spill-over process (Lindberg and Scheingold 1970, p. 129). A neo-functionalist explanation would hence focus on the role of the Commission in the development of environmental policy (Golub, 1997).

3.2 The inter-governmentalist perspective

The main opponents to this view are the inter-governmentalists who regard the EU as an international organisation. This perspective focuses on the role of the member-states. According to Moravcsik (1991, p. 75): 'The primary source of integration lies in the interests of the states themselves and the relative power they bring to Brussels'. European integration does hence proceed by a sequential process of domestic preference formation followed by inter-governmental bargaining (ibid).

Delegation of power and competence to a European level, and to supranational institutions, are results of conscious decisions by the member-states in order to attain their broader aims. The development of EU environmental policy is a wanted development by the member-states. The explanations to the common climate target are according to this view to be found in the interest and bargaining power of the member-states.

3.3 A third perspective

This dissertation will look at both these theories of environmental policy-making in the EU, to see whether they can explain the decision to set a common climate target for the member-states at EC level. Then it will suggest a third approach that combines elements of both models, arguing that the European Union is both a supranational entity and an inter-governmental system. The respective significance of the two elements varies between individual policy areas, within policy areas and at different stages in the policy making process (Hertier et. al, 1996). To understand the development of Community policies, it is therefor necessary to apply a comprehensive approach and look at the role of the actors at different stages in the policy-making process.

4 The path to a common proposal

4.1 The history of climate policy in the EU

This study has shown that the agreement on a common climate target has far-reaching consequences and implies a delegation of power from the member-states to European institutions. Before going into this discussion on the roles and motives of the various actors, a brief resume of the history of climate policy within the EU is useful.

The process towards a common target for reduction of CO_2 emissions within the EU, must be understood in the context of a larger international process. The first initiatives from different actors within the then called EC in the late 1980s, coincided with the first steps by actors within the UN. From the very beginning, the development in the EU has been parallel to the increasing international awareness on the issue. The international process has to a large extent determined the timetable for the EU (Bergesen, 1991).

This dissertation will concentrate on the process that started with the first conference of the Parties under the Framework convention of Climate Change (FCCC) in Berlin in 1995. At this meeting, the parties agreed that the non-binding agreement from the United Nations Conference on Environment and Development (UNCED) in Rio in 1992[14], was inadequate to solve the problem of climate change. They concluded that work should be commenced to identify and agree suitable reduction targets within the end of 1997 (The Berlin Mandate)[15].

This was however not the first time climate change was on the political agenda in the Community. In order to understand the positions of the various actors in the post-Berlin negotiations, a brief resume of the preceding process will be given.

Parallel with the first session of the Intergovernmental Panel on Climate Change (IPCC) organised by the UN in 1988, the Commission sent a communication to the Council that reviewed the scientific findings on climate change and proposed a comprehensive program for studying the policy options available to the Community[16]. The Council subsequently endorsed the program[17]. The next important initiative from the Commission was a concrete proposal of a clear commitment by industrial countries to stabilise their CO_2 emissions on 1990 levels within year 2000. Implicit in the proposal was the concept of burden sharing (Haigh, 1996). A differentiated approach was emphasised to safeguard the poorer member-states (Huber, 1995, p.18).

The proposal was adopted at a joint Environment Council and Energy Council in November 1990[18]. It must be stressed that the target of stabilisation was not embodied in any legal text, and was also qualified by the assumption that other leading countries, in particular the USA, undertook similar commitments (Haigh, 1996 and Wagner, 1997).

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14 At this conference, the EC and a number of countries committed themselves to stabilise their emissions of CO_2 on 1990 level within year 2000.

15 See Grubb et al, 1996 for further elaboration of the Berlin Mandate.

16 See 'The Greenhouse effect and the Community', Commission of the EC, November 1988 (COM 88/656).

17 See Council resolution on the greenhouse effect and the Community of July 1989 (O.J. 89/C183).

18 See 'Community policy targets on the greenhouse issue', communication from the Commission of 16 March 1990 (COM 90/496).

The common stabilisation target was further based on targets and expected developments in the individual member-states. It was not premised upon a review of existing and future potential for stabilising CO_2 emissions for the EC as a whole, rather it was a result of a pledge-and-review round in which the member-states presented their expected future emissions (Ringius, 1997). Several member-states had by that time already adopted national policies to curb, stabilise or reduce emissions (Wagner, 1997), and the bottom-up round showed that stabilisation of CO2 within 10 years was an attainable goal for the EC (Bergersen, 1991). Rather than being a genuine EC policy, the stabilisation target was hence a pragmatic way to ensure that the EC had a common proposal to the second World Climate Conference in November 1990 (Wagner, 1997). The political commitment to stabilise CO_2 emissions was a conscious attempt by the EC to establish itself as a leader in the area of climate policy (Haigh, 1996).

Following the adoption of the stabilisation target, the Environment Directorate General (DG XI) and the Energy Directorate General (DG XVII) presented a joint proposal on how to reduce CO_2 emissions. They argued that an adequate response strategy should include a variety of elements such as regulatory measures, fiscal instruments, economical instruments and burden sharing. From the very beginning, the two DGs had contrasting views on how ambitious the EU response to climate change should be. While the Environment DG wanted radical measures to reduce emissions, the Energy DG argued that the Community should not undertake these measures alone, but had to be followed by the US and Japan. Still, they finally managed to come up with a common proposal (European Commission, 1991).

This proposal did however trigger intensive debates, and it soon became clear that it would be difficult to reach agreement on choice of strategy. The idea of setting national emissions targets at EC level through a system of burden sharing was met with resistance from several member-states. This was mainly due to the reluctance to transfer power over an issue that was likely to affect so many aspects of national life (Haigh, 1996, p. 163).

The international development in the policy areas did however force the EU to come up with some concrete measures to reach the stabilisation goal. The United Nations Conference on Environment and Development, UNCED, that was to be held in Rio 1992 was approaching, and if the EC was to keep its role as a leader in environmental and climate policy, it had to ‘put some policy flesh on the bone’ (Haigh, 1997, p.164.)

Just before the conference, the Commission therefore presented a five-point plan containing much of what the environment and energy directorates had proposed, except from a common reduction target and burden sharing. Most emphasis was on the proposed directive of a common energy/ CO_2 tax. The focus was hence on finding common means, and the idea of finding a common target was left out.

The initiative enabled the EC to play a leadership role at the conference. According to Wagner (1997, p339); most observers would agree that ‘without EC leadership in the decisive phases of the negotiations of the FCCC, the Convention, despite its obvious short-comings, would not have attained its present form’. Both the US and Japan have since the beginning played a reactive role in the international climate negotiations. In particular the US government adopted a stance of rejecting all concrete and ambitious counter measures (Jachtenfuchs and Huber 1993). The EC has hence had the opportunity to fill this political vacuum, and take a leadership in the negotiations (Bergersen, 1991).

After the Rio summit the member-states had to decide whether to endorse the proposals from the Commissions or not. An intensive debate followed. The debate was dominated by the Commission who urged the member-states to agree to its proposals, Germany, Denmark and the Netherlands who supported most of the proposals from the Commission (Huber, 1995) and Britain, France and the cohesion countries who opposed most of them (Wagner, 1997).

The only substantial propose from the Commission that survived this process was that the Commission should monitor the development and strategies of the member-states[19]. Basically, the result of the discussion was that the member-states themselves had the responsibility to ensure that the target was reached (Haigh, 1997, p.183).

No important new initiatives came up on a European level until the next round of international negotiations on climate change in Berlin 1995. By that time, the knowledge and understanding of the seriousness of climate change had become more wide spread. The Intergovernmental Panel on Climate Change (IPCC) [20] had presented several reports stressing the possible fatal consequences of climate change. This had led to increasing public concern on the issue, and some of the EC member-states such as Germany, Denmark and the Netherlands had set ambitious national targets. Economical and technological development had also contributed to changes in expected future emissions in some countries. In the UK, privatisation has led to the substitution of gas for coal in the electric supply industry (Grubb et al 1997). Together with the economic recession this had led to the closing down of many coal mills, which subsequently had contributed to a reduction in the country's CO2 emissions.

At the FCCC meeting in Berlin 1995, the EU member-states had no common opinion as to how the final UN convention should be, or the shape of a corresponding EC target[21].The domestic targets in the member-states in 1995, show that the ambitions in this policy area varied substantially. Some countries had set fairly ambitious domestic reduction targets whereas others expected increasing emissions. Put together, the national targets and expected development in the member-states would amount to a little less than 10% reduction in the EU wide emissions within 2005 (European Commission, 1996b).

The Commission was concerned that the EC should continue to play a leading role in the international negotiations. To do so, the Community had to come up with an ambitious reduction target in order to have credibility when demanding others to do the same. According to the Commission the EC target had to be more ambitious than the synthesis of the member-states targets and expected developments. In a discussion paper the Commission conclude that 'it would therefor not be credible to propose less than 10% EC wide reductions by 2005.'[22] Following this, the Commission proposed a 10% reduction within 2005 and a system of burden sharing among the member-states. The focus was now primarily on finding a common target, and the discussion on finding common means postponed.

The Council did however reject the proposal, as they failed to agree on a how such a burden sharing should be. The Commissions proposal was rather similar to the obligations the

19 For a more thoroughly examination of this debate see Wagner 1997 and Haigh 1997.

20 The UN established the IPCC in 1988, consisting of 130 scientists from all over the world, to provide accurate and credible information on climate change and its consequences.

21 FCCC/AGBM/199610. 19 November 1996: Synthesis of Proposal by Parties.

22 As cited in Ringius 1997, p.19.

member-states finally agreed to in March 1997 (Ringius, 1997), but at this stage, the member-states were not yet ready to make the necessary concessions.

The next initiative came from the Irish presidency at the Environment Council in December 1996 where they proposed a slightly less ambitious proposal than the Commission[23], namely a flexible 5-10% reduction within 2005[24]. In the period from the process started in 1995 till the December meeting in 1996, the member-states national targets and expectations had however changed. Increasing awareness of the costs of climate policy and decreasing public pressure have been put forward as explanations on why the member-states lowered their national ambitions (Wagner, 1997).

This time the member-states were therefore even less willing to agree on an ambitious target. The only remaining opportunity to reach an agreement, and re-gain the leadership role, was the Environmental Council meeting in March 1997, just before the crucial FCCC meeting in Bonn (Ringius, 1997). This would be the last meeting before the summit in Kyoto in December where the protocol was to be signed.

The Netherlands had the presidency that spring, and started it by introducing the so-called 'Triptique' approach to burden sharing. This approach was based on a separation of the economy into three sectors. A country's obligations should correspond with its performance and possibilities in these sectors according to reduced CO_2 emissions. After informally presenting the 'Triptique' perspective to the member-states, the Dutch presidency presented a proposal of 15% reduction within 2010, and burden-sharing based on a modified version of the 'Triptique' burden sharing model (Ringius, 1997).

The EC Ad Hoc Group on Climate, met in February to discuss the Dutch proposal. Even though the Triptique approach had been welcomed as a useful initiative, particularly in the smaller member-states (Ringius, 1997), it soon became clear that the proposal did not correspond with what the individual member-states were willing to contribute. At the February meeting, they presented informal pledges on what they saw as acceptable national reduction targets:

23 The EU Presidency always works closely together with the Commission. The new adjusted proposal was hence in accordance with the wishes of the Commission.

24 Europe Daily Bulletin No. 6870, 9th December 1996

Table 2: Changes in emission levels in 2010 relative to 1990 levels[25].

MEMBER STATES	INFORMAL PLEDGES AT THE EC AD HOC GROUP MEETING IN FEBRUARY 1997
BELGIUM	-10%
DENMARK	-25%
GERMANY	-25%
GREECE	(+10%)
SPAIN	+15%
FRANCE	-5%
IRELAND	(+10%)
ITALY	-5%
LUXEMBOURG	-30%
NETHERLANDS	-10%
AUSTRIA	-25%
PORTUGAL	(+25%)
FINLAND	(-5%)
SWEDEN	+5%
UNITED KINGDOM	-10%
EC-15	-11%

Source: EC Ad Hoc group on Climate February 1997

Put together, the total EC reduction would be 11% within 2010. This was perceived to be insufficient to influence Japan and the USA to set more ambitious targets (Ringius, 1997), and the possibility for the EC to play a leadership role in the international climate negotiation was hence under strong pressure.

When the Environment Council met in March 1997, the prospect of agreeing on a radical proposal was however getting even darker. Several member-states wanted to lower their responsibility according to the informal pledges made less than a month ago in the EC Ad Hoc Group (Ringius, 1997). In particular the cohesion countries wanted to increase their emissions targets from their unfinished informal pledges, as these had not been sufficiently developed at the February meeting.

Among the other member-states, there was little willingness to take a larger share than they had proposed in February. At some point it was unclear whether the EC wide reduction would exceed 10% within 2010 (Ringius, 1997). This would have left the Community with no credibility in the coming international negotiations, which again could have a very damaging effect on the possibility of reaching an agreement at the Kyoto summit. Why should other industrialised countries then commit themselves to substantial emission reductions? - And how could a world-wide agreement be possible, when the relatively homogenous and highly integrated EC member-states were not able to reach one? (Wagner, 1997).

[25] The informal pledges of Finland, Portugal, Ireland and Greece were not yet clear (Ringius, 1997) .

Faced with the possibility of loosing their credibility, the Environment Council finally agreed to a proposal made by the Danish environmental minister Svend Auken to set a Community wide target of 15%, but only distribute 10% of the reductions[26]. The rest would eventually be distributed after the Kyoto protocol was signed. If the final reduction target from Kyoto would be 15%, the last five-percent would be subject to internal negotiations. As it was widely believed that the Kyoto target would not exceed a 15% reductions and probably be less stringent, the 10/15 negotiating result was not expected to compromise the EC in the global negotiations (Ringius, 1997). The proposal was further qualified as the Environmental Council stated firmly that the ultimate Community target would be determined by the outcome of the Kyoto summit[27].

The burden-sharing that was agreed on at the March meeting, was more similar to the informal pledges made by the member-states at the EC Ad Hoc Group meeting in February than the Dutch proposal. The final proposal did hence to some extent resemble the pledge and review round that led to the stabilisation target in the late 1980s. Still it was fundamentally different because the Council stated in the rationale for the burden-sharing that a number of national circumstances were taken into account in the distribution. By this, a set of neutral criteria has been established which can be of high importance when setting further common targets. In addition, the decision to have a common target implied a transfer of the area of climate policy from the national level to the EC. Finally, the proposal ensured that the EC could continue to play a leadership role and put political pressure on other industrialised countries (Wagner, 1997)[28].

26 In reality, only 9.2% reductions in emissions were distributed.

27 Council conclusions (1997) Community Strategy on Climate Change, Document 6309/07

28 The actual contribution of the EC in the Kyoto process is under debate. Many negotiators from the other parties, in particular the USA and Japan, were irritated by the behaviour of the EC as they perceived the EC proposal as superficial and unrealistic. Interview with government official at the Norwegian Ministry of Foreign Affairs.

5 Explanations – the inter-governmentalist perspective

From an inter-governmentalist perspective the common climate target is seen as a result of the interest of the member-states and their respective bargaining power. The focus is hence on the goal and preferences of national actors. Why did the member-states, represented in the Environment Council, finally decide to set a common reduction target? As the brief resume of the history showed, the Environmental Council refused this delegation of powers to the EC level when the Commission first proposed it in the beginning of the 1990s. Finally they managed to overcome the obstacles and reach an agreement. In this chapter, three factors will be elaborated in order to explain the member-states' decision to set a common EU target, namely 'green' reasons, economic reasons and finally, EU's position in international trade and competition.

5.1 'Green' reasons

The member-states are often divided into leaders and laggards according to their attitude towards environmental policy (Jachtenfuchs and Huber 1993 and Sbragia, 1996). Some countries, in particular Germany, the Netherlands and Denmark, have a record of attempting to increase environmental protection in the EU. In these countries, a high level of environmental protection is generally perceived as a social good, and a desirable political goal (Hertier et. al 1996).

The Cohesion countries are usually regarded as laggards when it comes to environmental protection. They tend to oppose most plans of common environmental standards and policies (Majone, 1996). In these member-states, public concern about environmental problems is relatively low, and many other policy areas have higher priority. Another reason for their reluctance towards common environmental standards is that this normally implies increased costs as well as diminishing comparative advantages from having low environmental standards (Scharpf, 1996). The accession to stricter environmental standards is often compensated by transactions from Brussels through for instance the structural funds mechanism (Heller, 1998).

In addition to the Cohesion countries, Britain is often put in the laggard category. The UK is usually conceived as a particular awkward partner in the EU as she alone has resisted integration in a variety of fields, most notably social policy and environmental policy (George, 1991). In the latter case, this often comes from a combination of little interest in environmental problems[29] and reluctance to give up sovereignty[30]. The rest of the member-states have often a more neutral role in the environmental discussions in the EU.

In the area of climate policy, the traditional leader-laggard division is somewhat inappropriate as the individual CO2 emission targets of the various member-states to a large degree is determined by factors such as the source of their energy supply, their industrial structure and the transport sector. In some member-states, large reductions of CO2 emissions can be

[29] For a further discussion on Britain's perceptions and attitudes towards environmental problems, see Golub,1997 and Navjord, 1995.

[30] For more discussion on this, see Stephen George 'Britain an Awkward partner, 1991,

implemented with relatively low costs, whereas in other member-states reductions in the same scale would be very costly indeed. Germany and the UK can for instance with relatively low costs reduce their CO_2 emissions by switching from coal to a more environment friendly alternative. Many countries do not have this option as their source of energy supply already emits little CO_2. France is for instance highly dependent on nuclear power and cannot radically reduce emissions of CO_2 by changes in her energy supply sector. Reductions must therefore be implemented in other sectors and often to much higher costs.

The national ambitions in the area of climate policy do to some extent correspond with the costs of reductions. Britain is for instance one of the major contributors to the EC target, being responsible for almost 20% of the total EC reductions[31]. The British contribution is hence crucial for the total EC target[32]. However, it is still the countries that usually promote environmental policy in the EU, that also have been the driving forces in the area of climate change (Ringius, 1997). When the issue first appeared on the political agenda, the Netherlands, Germany and Denmark 'urged to action' as the potential damage was considered enormous (Huber, 1997, p. 23). The UK did on the other hand request more certainty before introducing policies to reduce CO_2 emissions (ibid)[33].

The main contributor to the common reduction target is Germany. She is not only the largest contributor to the total reductions, but has also been a driving force in order to reach an agreement. Germany had when the negotiation started set her own target of 25% reduction in CO_2 emissions by 2000. Denmark and the Netherlands had also set national targets before the Berlin conference. These member-states do not contribute so much in quantity of CO_2 reductions, but have both been important contributors to the negotiation process. They had all ambitious national targets that they could not leave without embarrassment (Ringius, 1997). Reducing their national targets would be politically difficult on a domestic level, and it would also be damaging for their position as self-declared environmental leaders in the EU[34].

Britain, Belgium, Italy and France had a different approach to the negotiations. None of them had set ambitious targets when the international negotiation process started in 1995[35]. Britain and Italy still held on to their stabilisation targets from the UNCED meeting in Rio in 1992, Belgium expected a 5% increase and France had her own special mode, having a target of not exceeding annual CO_2 emissions per capita of 7.33 tonnes. These member-states had no prestige in getting a particular result of the process. There were no strong domestic forces demanding a radical target, rather there was a demand that they should avoid extensive costs[36]. These countries did all strengthen their targets through the process, but were by no means eager to take a large share in order to ensure an ambitious EC target (Ringius, 1997).

Except from Britain, they were however all strongly in favour of a common EC target with internal differentiation. As none of them planned reductions or at least not at the level that

31 These numbers are from the March 1997 agreement

32 Personal interview with a Norwegian Government official.

33 For further discussions on Germany and Britain's different approach to the 'precautionary principle', see Navjord 1995.

34 For more discussion on environmental leaders in the EU, see Jachtenfuchs anh Huber 1993.

35 FCCC/AGBM/199610. 19 November 1996: Synthesis of Proposal by Parties.

36 The industrial lobby, represented in particular by The Union of Industrial and Employers UNICE and The European Chemical Industry Federation was very active in the discussion on climate policy. They tried to prevent any targets and measures that would harm Europe's competitiveness. See Wagner 1997.

was expected to be the result of the Kyoto meeting, they needed a common EC target to be able to sign the protocol[37]. The same was the situation for the cohesion countries. All the cohesion countries planned to increase their emissions of CO_2 in order to ensure economic development. As individual countries, they could therefore not sign the FCCC since this would bind them first to stabilise their emissions, and then guarantee reductions. According to Haigh (1996, p.181), these countries have 'a very good reason for wanting the EC to be a party (of the FCCC) since otherwise it is doubtful that they fulfil the requirements of the convention'.

Not signing would however not place them in a very favourable light internationally. For them it was therefor important that the EC had a common target based on burden-sharing so that they could both increase their emission and sign the FCCC, and thereby stay in the group of 'the good guys'. (Haigh, 1997). Several member-states that often are conceived as laggards in EC environmental policy were therefor in favour of a common EC target for CO_2 reductions.

The international process did therefore put a pressure on the member-states. To ensure a position among the environmentally concerned countries world wide, several member-states were dependent on a common EC reduction target. Some countries, in particular Germany and the Netherlands, did also express the ambition that the EU should not only be among the leading environmental actors, but the leading actor. Most EU member-states share a common interest in creating a sufficient unity to be recognised as a global power (Wagner, 1997). Although there where strong divisions among the member-states on how ambitious their response to climate change should be, they formally agreed through a number of declarations from the Council that the EU should take a leading role in the international climate negotiations.

5.2 Economic reasons

One of the reasons why the member-states with a high level of environmental protection want to increase the environmental standards in the EU, is to ensure that their domestic industry is not faced with too different conditions from its competitors in the other member-states. Unilateral measures to reduce CO_2 emissions entail a competitive disadvantage for domestic industry. The countries that had introduced such measures, wanted to limit these costs by making sure that competing industry in the other member-states were subject to the same measures and costs[38].

The largest contributor to the reduction target, Germany, has a tradition of a dual strategy towards environmental problems; proposing higher environmental standards and develop environmental technology. Once the other member-states have committed themselves to environmental improvements through EU legislation, this technology can be exported. Germany is today one of the world's largest producer of environmentally technology. This strategy was also perceived as profitable on broader international level. The EU should establish itself as a leader in environmental sound technologies, which are considered to be a

[37] Interview with a Norwegian Government official.

[38] For more discussion on why high-regulatory member-states want to export their regulatory regime, see Majone, 1996 and Hertier et. al 1996) .

large marked, and where the main competitors, the US and Japan, have not become leaders yet (Huber, 1995).

However, the main economic reason for the relatively ambitious reduction target is probably that it was perceived that it could be implemented at relatively low costs. Germany who takes the by far largest share, expect to do this mainly by improving the technology in former Eastern Germany[39].

Britain is in a similar situation. The main bulk of reductions in Britain came from the closing down of coal mills. This was not done for environmental reasons[40], but is due to privatisation and economic recession. Together these two member-states shouldered more than 90 % of the total reductions. The EU could therefor gain the position as an environmental leader at relatively low costs[41].

5.3 International competition

The EC proposal of 15% reduction was based on internal differentiation of responsibilities. The contribution from the member-states' varied from 40% increase in national emissions (Portugal), to 25% decrease (Germany, Denmark and Austria). However, in the negotiations of the FCCC, the EC argued strongly that all the parties to the Convention should have the same reduction target and opposed all proposals of a worldwide differentiation of responsibilities. The burden-sharing model should only be applied among the EU member-states and not on an international level. Instead they proposed a flat rate for all countries.

It is simple to see that such an agreement would be beneficial for the EU compared to its main competitors, Japan and the US. Since the EU could implement its target with relatively low costs, a flat-rate target would give the EU a competitive advantage compared to the US and Japan where similar reductions would entail higher costs. The EU had hence clear economic interest in a flat, non-differentiated reduction target[42].

This examination has identified a number of reasons why it was in the interest of the member-states to agree on a common proposal to the international climate negotiations, in the form of the March 1997 agreement.

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39 Interview with a Norwegian Government official.

40 The Economist, August 7th, 1998.

41 The Director of EEA, Domingo Jiminez-Beltran, argues however that many of the easy measures to increase energy efficiency already have been put into use, and that the remaining job to reduce CO_2- emissions will be far more costly.

42 Interview with a Norwegian Government official.

6 Explanation – the neo-functionalist perspective

The main argument from the neo-functionalist perspective is that spill-over from other sectors and the integration process as a whole, have created a structural pressure that has led to integration in the area of climate policy. The Commission has been central in this process by providing technical and scientific background for discussions and proposals for action.

6.1 Functional spill-over from other sectors

Firstly the decision to set a common climate target can be seen as a natural extension of the Community's role in West European environmental policy-making (Wagner, 1997). Environmental policy has become a major policy area in the EU, considering the substantial amount of common environmental legislation[43]. In several member-states, all environmental legislation is introduced on initiative from the EU, and not national politicians.

Secondly, a common climate target is a logical consequence of the relationship between CO_2 emissions and policy sectors such as transport and energy. The Fifth environmental programme's emphasis on the importance of integrating environmental concerns into other major Community policies such as industry, energy and transport, clearly shows this spill-over effect (Colliere, 1996, p. 9).

A third reason why the climate target was set on an EC level was the international character of the problem. Climate change is an international problem that can not be solved at a national level. CO_2 emissions know no borders, and the damages caused by climate changes may not be related to the countries own emissions. The EU exists to solve problems that can not be solved at a national level (Weale, 1996). Climate change does hence provide a prime example on the 'raison d'être' for the EU.

6.2 The Commission

By its first communication to the Council in 1988, the Commission placed the issue of climate change on the political agenda and provided scientific background for the following discussion. The Commission hence did the same for the EU as the IPCC attempted to do for the whole world, namely to establish a stock of causes and effects of climate change, to constitute the basis for further action (Jachtenfuchs and Huber 1993, p. 42)

Secondly, the proposal from the Commission on adequate measures to combat climate change set the framework for the discussion in the Council and among other actors. Some scholars argue that the Commission presented too radical proposals too soon, and therefor delayed the process towards a common climate policy rather than facilitated it (Wagner, 1997). This is open to debate, it is however clear that the Commission was the agenda setter in the Community in this policy area (Hertier et. Al, 1996)[44].

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[43] More than 200 directives and regulations covering a number of areas are in force, and five Environmental Programs have been produced.

[44] According to Hertier et. al, 1996, the role of the Commission in climate politics differed from its role in most environmental regulation. Usually, the Commission responds to initiatives from the member-states to introduce

There are several reasons why the Commission wanted a common climate target for the European Community. Firstly, the Commission is the 'Conscience of the Union' (Haaland, Matlary, 1995), and shall work for an 'ever closer union'[45]. The Commission wants therefore, almost by definition, to expand EC policies into new areas and 'further the supranational integration of policies' (Hertier et. al, 1996, p. 27).

The Commission did also from the very start emphasise the importance of the international role of the Community in the area of climate policy. Japan and USA, who usually have dominant positions in international meetings and negotiations, were very passive in the negotiations on climate change. Both countries were from the very start reluctant to set ambitious targets and stayed away from any leadership function in the negotiations. This opened a unique possibility for the EC to play a major international role (Hertier et. al 1996 and Bergesen, 1991). The Commissioner for Environment, Ripa de Meana, introduced the concept of 'environmental leadership' which became the basis for the Commission's proposals (Jachtenfuchs, 1994). The ambition to play such a role is expressed for instance in a communication from the Commission (European Commission 1991) where it argues that the EC has the moral, economic and political power and authority to present an example for other OECD countries. Further it states that the Commission intends to take over a leadership role in 'the protection of the environment and the sustainable use of natural resources'.

In addition to these more general reasons, two Directorate Generals were particularly interested in arriving at a common target, namely the Environment DG and the Energy DG. On a national level, these two sectors are often in conflict. The explanation to why the alliance on the EC level came about in the early phase of climate policy is however quite simple. For the Environment DG, the climate area was a test case of the political will to integrate environmental protection in other sector policies. If they succeeded in developing a coherent climate policy, this would change the political stature of the Environment DG in the Euro-bureaucracy. They would reach a level to be envied by the other sectors as environment no longer would be 'any other sector', but a concern that cuts across bureaucratic cleavages (Bergesen, 1991 p.13)

The Energy DG saw the climate issue as an opportunity to establish a common energy policy, which had been fiercely resisted by the member-states since the Commission first proposed it in the 1970s (Ibid. p13). The proposal of a common energy policy confronted a very different pattern of energy supply in the member-states. Some of them are richly endowed with energy resources while some have none apart from the sun (Haigh, 1996). The member-states have hence very different interests in energy matters[46].

A coherent common climate policy would however require a substantial reorientation of energy consumption and production that could not be achieved on a national level. A common climate policy would hence pave the way for a common energy policy.

However, as soon as the possible costs were revealed, the alliance broke. The Energy DG started to question the benefits of an aggressive climate policy, as this would create significant economic costs. A number of other DG's got involved in the discussion, in

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new regulatory policy. In the case of climate policy, these initiatives were absent, and the Commission therefore had to make the proposals itself

45 The Treaty of Rome.

46 For a further discussion on the development of an EU energy policy, see Janne Haaland Matlary, 1998.

particular the DG for taxation, (DG XXI) who mainly represented industrial interests and was highly critical to all measures that could harm the industry.

The internal division in the Commission made it difficult to maintain the leadership role it had adopted in the beginning of the process (Haigh, 1996). Secondly, the early 'policisation' of the policy area also contributed to the placing of the Commission on the sideline. The Commission did play an important role in the beginning of the process, but several factors made it difficult to maintain this role in the final stages.

7 Conclusion

The agreement in the Environment Council of March 1997 came as a surprise to most observers and the target was immediately regarded as a radical contribution to the international negotiation process. The Council lists up a number of national circumstances that have been taken into account when deciding on the distribution of responsibilities for the March 1997 target. The final distribution was however a political decision, rather than a result of a mechanical formula (Ringius, 1997, p. 25). When looking at the final burden-sharing, it does to some extent resemble the initial national targets of the member-states. One can therefore argue that it looks as if a pledge and review round has taken place. This dissertation will however argue that the criteria listed by the Council are important, as they establish the principle of burden-sharing as a way to combat climate change.

Another important aspect with the decision was that some of the member-states through the negotiations made stronger efforts to combat climate change than they otherwise would have done, and that it ensured that all the member-states became parties to the Convention. Finally, the decision was an important one because it implied that the setting of climate targets has become a European policy area.

7.1 Why did the EU agree on a common climate target?

The reason why the member-states finally agreed to this transfer of competence and sovereignty is to be found in the interest of the major actors in the policy area, which in the case of setting a common climate target primarily have been the Commission and the Council. Both the 'green' forces, and those who usually are most occupied with economical considerations, had a common interest in setting a common EU target. This dissertation will claim that the EU never would have agreed on a 15% reduction target simply for environmental reasons as the economic interests still are dominant in the union (Collier, 1997).

The close cooperation and the exchange of information and arguments between the member-states, did however create an internal climate which facilitated the process of finding a common target[47]. The process itself has hence contributed to the final result.

The success of agreeing on a common climate target must also be understood in the light of the international process in this policy-area. The UN negotiations did to a large extent set the timetable for the internal development in the EU. External factors such as Japan's and US' reluctance to commit themselves to an ambitious climate policy, are also important in explaining why the EU decided to take a leadership role in the international climate negotiations.

This dissertation has concentrated on the role of the Commission and the Council. To get a full understanding of the process, it is necessary to look at the role of other actors as well. The conclusions presented are hence not proposed as the final and definitive explanations. Rather it is a part of a larger process of explaining, describing and understanding why the EU decided to set a common reduction target.

[47] Interview with Official from the EEA

7.2 A review of the theoretical approaches

The March 1997 agreement can not be explained by a pure neo-functionalistic approach. The neo-functionalist approach helps to locate climate policy within the general dynamics of task expansion in the Community. Some actors saw the development of a common climate policy as a logical extension of the Community's competence in environmental policy·

Another 'mechanical' reason for setting a common climate target was that other policy areas in the community such as transport and energy, highly influence the emissions of CO_2. In this respect, spill-over from other policy sectors paved the way for a common climate policy.

The neo-functionalist approach does however fail to explain the form and the content of the final agreement (Golub, 1996, p.702). Nor it is particularly useful when trying to understand the long and intensive negotiation process in the Council leading up to the final decision of March 1997. As Golub (1997, p. 19) argues: 'Functionalism tells us why there might be something to sign, perhaps even what might be signed, but bargaining tells us what interest were taken into negotiations and why states signed the specific environmental proposal'.

The inter-governmentalist approach is thus superior in order to understand the final negotiation and bargaining, but has also important gaps and weaknesses. The first initiatives from the Commission to put the issue of climate change on the political agenda in the EC does not fit in with this theory. This dissertation will therefore argue that a comprehensive approach is necessary when examining the development towards a common climate target in the EU. The European Union is both a supranational entity and an inter-governmental system. The respective importance of the two elements varies at different stages in the policy making process (Hertier et. al, 1996).

At the first stage of the policy-making process, the supranational Commission has important powers in having monopoly on initiating and formulating policies (Matlary, 1993). It is also important in establishing the scientific or factual basis for policy-making. The member-states attempt to influence the Commission in the initial process in order to ensure policies that are in accordance with their own policy regime (Hertiere et. Al, 1996 and Majone 1993). It is however the Commission that has the final word in deciding the content and form of any proposal presented to the Council. The Commission can also withdraw a proposal at any stage in the process.

The last step in a policy-making process is the final decision in the Council, which in some ways is comparable to the making of an international treaty involving negotiations between governments behind closed doors (Wagner, 1997). Once decisions are made and/or legislation is adopted, the similarity diminishes, as EC legislation becomes directly applicable in the member-states. EC legislation is even superior to national legislation[48].

For a decision to be reached it must have the consent of the Commission and a necessary majority in the Council. The framework of environmental policy-making in the EC is hence a system of governance operating on the principle of concurrent majorities among leading actors (Weale, 1996). The result is a rule-making process that has to secure agreement from

[48] The Treaty of Rome established the principle of preliminary rulings, which allowed the ECJ to interpret Community law for national courts. It was two such referrals the Van Gend and Loos ruling in 1963 and the Costa ruling the following year, that established the two key doctrines of direct effect and supremacy.

many and different actors. This often leads to what Scharpf (1995) has termed a 'joint decision' trap where optimal decisions are not reached. However, in the area of climate policy the EC has, to the surprise of many close observers, managed to reach a common decision (Ringius, 1997, p. 6). Following Scharpf (1995), agreements are possible when the major actors in the EC, in particular the member-states and the Commission, have strong interests in finding a common solution.

As concluded earlier, this was the situation in the case of setting a common climate target for the member-states in the European Union. Even though there were disagreements concerning how ambitious the common target should be, the main actors wanted a solution. The Commission was an early proponent for a common target, followed by a majority of the member-states that for various reasons wanted to reach such an agreement.

This review has shown that EU environmental policy-making is best understood by looking at the union as both a supranational and an inter-governmental organisation. To capture the reality of the development of a common climate target, a comprehensive approach is needed.

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- Leiv Lunde, State Secretary, the Norwegian Ministry of Foreign Affairs.

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