

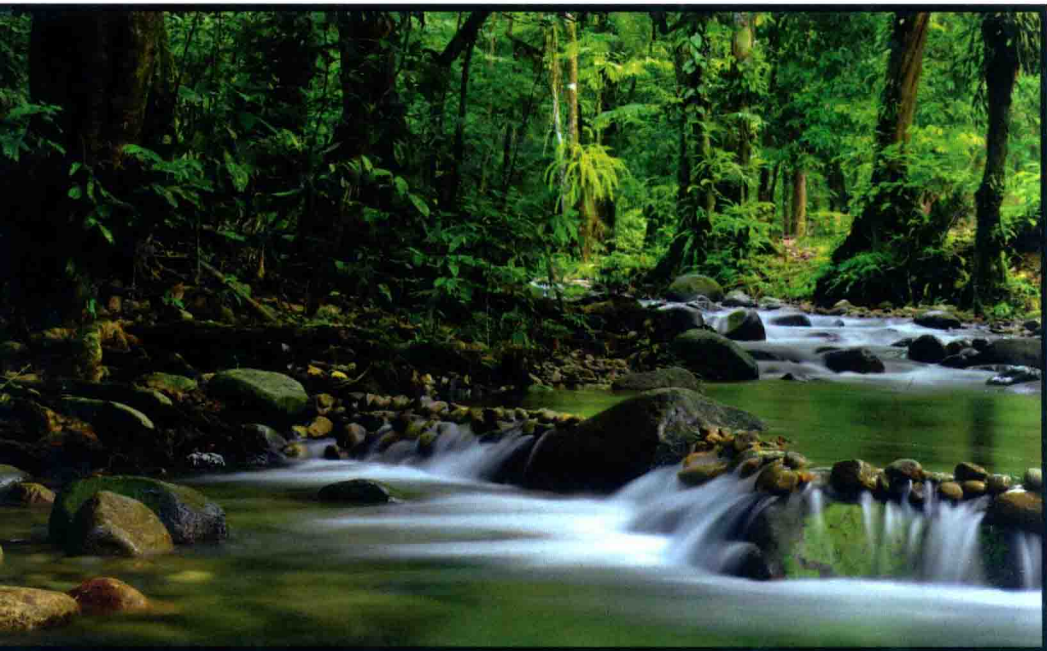


FONDAZIONE ENI
ENRICO MATTEI



GOVERNANCE FOR THE ENVIRONMENT

A Comparative Analysis of
Environmental Policy Integration



Edited by
Alessandra Gorla
Alessandra Sgobbi
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Governance for the Environment

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THE FONDAZIONE ENI ENRICO MATTEI (FEEM) SERIES ON
ECONOMICS, THE ENVIRONMENT AND SUSTAINABLE
DEVELOPMENT

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Governance for the Environment

THE FONDAZIONE ENI ENRICO MATTEI (FEEM) SERIES ON ECONOMICS,
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Foreword

Carlo Carraro

Environmental protection is very often a public good, that is the benefits from a better environment can be captured by all the members of a given community (global, regional or local), and not only by those who contribute to protect nature or improve environmental quality. This makes it difficult to design effective environmental policies. Free-riding incentives and very asymmetric preferences for environmental protection dominate the decision process and weaken policy decisions.

Governing the global environment is a notoriously complex diplomatic task, and the lack of appropriate supra-national institutions contributes to this complexity. But governing national or local environments is not any simpler, even in the presence of well-designed and effective governing institutions.

The solution to the governance problem can be found in the integration of environmental policies with other global, regional or local policies. Environmental problems are likely to affect many dimensions of economic and social life, and can therefore be addressed by a number of integrated economic and social policies, rather than by specific environmental measures.

This volume addresses the above policy issues in a very detailed and effective manner. It is part of the output of the EPIGOV project that brought together scholars from eighteen universities and research institutes across Europe in an effort to synthesise and examine research and policy analyses on environmental policy integration. The project convened researchers belonging to a broad range of disciplines, including political sciences, economics, law and land use planning, and working with various methodological approaches. Three conferences were held under the auspices of the project and were used to compare and summarise the main findings of the research work.

This book focuses on the modes of governance associated with relevant measures to protect the environment at the national, regional and local levels. Its chapters provide a comprehensive assessment of the progress achieved in integrating the environmental dimension into national, regional and local policies. The book also compares different experiences with a view to

identifying modes of governance which tend to be more or less conducive to environmental policy integration.

This book is the product of the outstanding work of the three editors in cooperation with all the partners of the EPIGOV network. FEEM (Fondazione Eni Enrico Mattei) provided secretarial and administrative support and organized the whole process leading to the publication. The analyses, results and experiences presented in this book can be very valuable to scholars and policymakers in the attempt to identify institutions and measures to protect the environment.

Carlo Carraro

Director of Research

Fondazione Eni Enrico Mattei

Introduction

**Alessandra Goria, Ingmar von Homeyer and
Alessandra Sgobbi**

The integration of environmental concerns into other policy areas is widely recognised as a key element to achieve sustainable development. It also represents a challenge for the environmental community, requiring not only a new approach to policy making but also changes in existing policies and their implementation. More importantly, however, the cross-cutting nature of environmental policy integration (EPI) does not easily fit in with traditional practices and conceptions of hierarchical governance based on (nation) state authority, sectoral differentiation, and command-and-control type instruments. It is therefore not surprising that measures to promote EPI frequently seem to rely on different modes of governance, such as voluntary, procedural, information, learning and market-based instruments. To complicate matters further, EPI often entails different approaches depending on the level of governance – and may thus call for specific processes and instruments. Indeed, efforts to achieve and improve EPI are currently being made at local/regional, national, European and global levels of governance, and are not limited to the public sphere, but often take place within the private sector. Furthermore, measures at different levels may affect each other, thereby improving or weakening EPI and sustainable development. Indeed, the inter-linkages between the different levels and modes of governance are emerging as a central challenge in the area of EPI and are increasingly analysed and discussed in the literature.

This book examines existing research on environmental policy integration at three levels of policy-making: at the national level, both in relation to strategic and sectoral decision-making; at the regional level, where both supra-national and sub-national regional entities are discussed; and finally at the local level, where strategies available to municipalities or individuals for furthering environmental policy integration are presented. New and innovative approaches to the study of EPI at these levels of governance are also proposed. The chapters are a collection of selected research papers presented and discussed at the conference ‘Integrating the environment into national, regional and local policies: current practices and future directions’.¹

The conference was the second in a series of three thematic conferences, each of which focussed on the theory and practice of EPI at particular levels of governance as well as on more conceptual questions relating to modes of governance and multi-level governance. The three conferences were held under the auspices of the project Environmental Policy Integration and Multi-Level Governance (EPIGOV).² EPIGOV brought together researchers working on EPI from eighteen universities and research institutes across Europe in an effort to synthesise and analyse existing findings from a multi-level governance perspective. The EPIGOV project comprised research associated with a broad range of disciplines, including political sciences, economics, law, and land use planning, and with various methodological approaches. Reflecting this diversity, work was not based on a common analytical framework. However, papers were required to refer – either positively or critically – to a set of concepts discussed and set out in the EPIGOV Common Framework (Homeyer, 2006).

Reflecting different views of governance, definitions abound. For example, governance has been described from a more state-centric perspective as a ‘continuous political process of setting explicit goals for society and intervening in it in order to achieve these goals’ (Jachtenfuchs and Kohler-Koch, 2004: 99) or as ‘conceptual or theoretical representation of co-ordination of social systems’ (Pierre, 2000: 3) from a society-centric point of view. Given that EPIGOV focused mainly on the integration of environmental concerns into policies, the project was more concerned with the political processes emphasised by a state-centric definition of governance than with ‘spontaneous’ or ‘bottom-up’ environmental integration by societal actors. Nonetheless, research adopting a more society-centred perspective may also be relevant in so far as relevant environmental integration efforts affect policy-making and/or state-actors play an important role in the respective networks.

Although, due to its focus on policies, the very concept of EPI gravitates more to a state- than to a society-centric perspective, it is interesting to note that EPI appears to be mostly pursued on the basis of various so called ‘new’ modes of governance, such as communicative governance, voluntarism, market-based governance or targeting (Homeyer, 2007). These modes of governance are often associated with a relatively strong involvement of non-state actors in policy-making. On the one hand, this is not surprising if one considers that aspects of ‘traditional’ governance, in particular the sectoralisation of policy-making, are often identified as key reasons for the need to pursue EPI in the first place. Starting in the 1980s, it became increasingly apparent that ‘sectoral’ environmental policies were not adequate to deal with problems which were rooted in the functioning of other sectors. Cross-cutting, persistent environmental problems – such as the loss

of biodiversity or climate change – call for an integrated approach to decision-making and strong collaborative efforts among different state and non-state actors (cf. Jänicke). This poses a challenge to the traditional system of sectoral governance. On the other hand, other aspects of ‘traditional’ governance, in particular hierarchical decision-making, are, if anything, much less clearly linked to the causes underlying the need to pursue EPI. In fact, there are frequent calls in the literature for more political leadership and more hierarchical intervention to increase the effectiveness of EPI measures. Today EPI is widely recognised as a critical environmental policy objective as well as a concept which has become central to sustainable development. This applies, in particular, to the EU and its Member States. For example, EPI has been anchored in the EU Treaties. Article 6 TEC states that

environmental protection requirements must be integrated into the definition and implementation of [...] Community policies and activities [...], in particular with a view to promoting sustainable development.

This book thus focuses on EPI and the modes of governance associated with relevant measures at the national, regional and local levels. Through its chapters, it explores the implications for EPI of different modes of governance at different levels of governance – and vice-versa. The hope is to provide a comprehensive assessment of the progress which has been achieved in establishing and implementing EPI at these levels, describe relevant modes of governance and compare different experiences with a view to identifying modes of governance which tend to be more or less conducive to EPI.

In his opening chapter, Frank Convery takes an environmental economic perspective, defining a normative approach to EPI based on a standard economic assessment framework such as cost and benefit analysis, and discusses the behavioural impacts of ‘suitable’ price signals. According to the author, key to the achievement of EPI in the sense of ensuring appropriate consideration of the environment in decision-making, are: the availability of environmental information; public and private engagement; the existence of clear and appropriate price signals; and the right legal and institutional setup. The political effectiveness of the climate change and biodiversity debates is considered within this framework and the analysis seems to indicate that the growing importance of climate change in the political agenda worldwide can be at least partly attributed to the existence of the prerequisites needed to make EPI real.

The main strands in the literature on EPI at the national level are summarised by Alessandra Sgobbi in Chapter 2, with the ultimate aim to shed some light on the key component of a unifying framework for analysing EPI and its environmental effectiveness. At the national level, there are different interpretations of the axiom on environmental policy integration, as

reflected in the literature discussing EPI. Four broad strands of literature are identified, focusing on: the strategic level; the national level in general; tools and strategies that governments at the central level may implement; and finally the assessment of EPI practices. Despite the large volume of literature on EPI at the national level, surprisingly few studies systematically compare processes, strategies and tools in individual countries in the pursuit of EPI. A clear assessment method must therefore be established to analyse progress, to use more effectively the wealth of experience with EPI and to establish how EPI may or may not work in different contexts. Progress will be slower in the absence of a clear benchmark against which to assess performance.

The challenge is even greater when focusing on environmental policy integration at the local and regional level, as shown in Chapter 3 by Michela Catenacci. Regions and local authorities have an important strategic role to play towards sustainable development, the protection of the environment and the development and implementation of policies, yet the vast majority of the literature dealing with environmental issues at these levels does not focus on EPI specifically, but rather addresses this topic within the broader context of sustainable development. Furthermore, the discussion of environmental matters at the regional and local level is dominated by a case study approach, with less emphasis devoted to the theoretical aspects of the environmental discourse.

An innovative and thought-provoking discussion on the strategic role of local entities in promoting EPI is presented by Bruno Dente. Throughout the centuries, the role of local entities has changed dramatically, from a strong welfare state in the post WWII period, with a tendency towards centralisation, to the anti-welfare backlash of the 1980s, that led to fiscal devolution, privatisation and an increasing role of local authorities. But the observed globalisation presents new challenges to local authorities, which have also strong implications for EPI at this level of governance. In particular, Dente's argument is not that everything can (and perhaps should) be integrated at the territorial level, with the choice depending on the level of participation and interaction required by the specific need for EPI. At the local level, EPI is better thought of as an outcome rather than a process, to bring about changes in the way actors interact at the local level, challenging existing power structures. In this context, the sphere of property rights is particularly complex, given the nature of public good as well as the existence of private vested interests in the protection of the environment. EPI effectiveness at the local level therefore depends on the inclusion of the property right dimension to bring about the necessary integration between state and non-state actors.

EPI must be considered as a policy outcome; however, EPI may also induce a process of policy learning by which policy makers, as well as other

actors, become aware of sustainability issues and integrate them into their policy fields. This is the focus of Georgios Terizakis's chapter, where the concept of Governance for Sustainability is discussed: from an EPI perspective, then, the interactions and interdependencies between knowledge and sustainability become critical, with sustainability as a core crucial dimension of EPI. Knowledge and non-knowledge are crucial aspects of the environmental politics debate, which is framed by technical and scientific expertise shaping the discourse on sustainability. Yet, the gap between technical and scientific knowledge on the one hand, and local or everyday knowledge on the other, is increasingly clear. An exploration of the interaction between forms of knowledge and governance structure can shed light on the reasons for this gap and, with the help of two case studies, Terisakis shows how not only should research discuss EPI at different levels of governance, but also that different stages in the policy processes may exhibit different degrees of EPI.

Even if a specific governance structure may be appropriate to cross the boundaries between sectors, often seen as one of the major obstacles to EPI, this would not be sufficient to ensure EPI. This emerges from the work of Carolina Pacchi and Davide Zanoni, who assess the relevance of knowledge forms and governance modes for the approach to EPI adopted in the EPIGOV project. The concepts of knowledge forms and their interactions with local actors, and how power relations influence governance structures formally and informally, are discussed through a case study – the use of Strategic Environmental Assessment for the Provincial Master Plan of the province of Milan, Italy. The authors conclude that 'appropriate' modes of governance may be conducive to EPI, but that many other variables will influence their effectiveness, such as the patterns of the actors' interaction and the type of actors involved, the knowledge base extension, the inclusion of local knowledge, and inputs from external actors. Analyses of modes of governance for EPI should therefore be extended to additional variables, if a more accurate assessment is to be achieved.

Social system theory suggests that today the functional differentiation of social systems makes it more and more unlikely that environmental concerns are integrated in policy-making. However empirical research suggests that differentiated policy-networks in Europe may contribute to a greening of EU Regional Policy. Philipp Schepelmann explores this debate by assessing the degree to which EU regional funds have fostered EPI in the North Rhine-Westphalia region, using the concept of resonance. Resonance is defined as the active response of the social system to environmental problems, and is considered as a prerequisite for target-oriented EPI. By looking at selected indicators of the EU Lisbon process, the degree to which different policy networks react to environmental challenges indicates that there are areas of

success, whose experience can be scaled up or transferred to other sectors. Furthermore, resonance analysis of policy systems with specific indicators is promising in helping to identify good and bad EPI practices on a case by case level, as it highlights that different governance patterns emerge depending on the indicator and the corresponding regional policy networks. Case-specific analysis will allow targeted interventions in order to close the gaps in policy-cycle promoting EPI.

The remaining chapters discuss country experiences, identifying success and failures of alternative modes of governance for EPI, with a focus on the UK, Central and Eastern European (CEE) Countries, and Spain. Moving to regional and country experiences on EPI, the success of country experiences such as the UK's one, traditionally acknowledged as an effective model for EPI, is challenged by Duncan Russel and Andrew Jordan. Light is shed on crucial variables such as the paucity of sustained political leadership, and the lack of external pressures from NGOs and other non-state actors, which have caused a breakdown of environmental coordination impairing the effectiveness of EPI. Overall, the UK has innovated, but the evidence presented in this chapter suggests that it has not been uniformly effective. Moreover, even though it has been in existence for fifteen years, the UK's EPI system appears to have not significantly improved the state of the UK's environment. Central leadership remains strong in the UK, though the UK appears to be embarking on a new phase of EPI with a dedicated focus on climate change. Aside from these developments, however, EPI in the UK has been achieved only partially, and the degree of success has not been consistent across departments. Russel and Jordan add to the body of literature depicting decision making in the UK as highly departmentalised. Where there has been successful cooperation, it has been driven by self-interest, and the portrayed success of the UK to achieve EPI is not as deeply rooted as it may seem at a first glance.

In parallel, the analysis of EPI in Central and Eastern European countries (CEE) provided by Ketí Medarova-Bergström, Tamara Steger and Adam Paulsen suggests the need to carefully analyse regional specific characteristics in order to discuss alternative modes of governance and identify those favouring or inhibiting the EPI agenda. CEE countries provide an interesting ground for this exercise, being characterised by a rapid transition from a strong centralised regime to free market economies, with the emergence of multi-party regimes based on democratic principles, leading to new modes of governance for EPI. The emphasis on EPI dominant at the EU level is providing a strong leverage for CEE countries, coexisting with a strong bureaucratic administrative culture of national authorities. Successful examples of EPI exist, such as the introduction of the Environment and Strategic Impact Assessment, but a strong prevalence of top-down