COLLECTION OF THESIS

to

Remo Savoia

A Greener Europe

or

The Environmental Policy Integration Process in the European Union

Ph.D. Thesis

Topic Leader:

Dr. Ferenc Kondorosi

University Professor

Budapest, 2007
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**Thesis**

The principle that the environment is a value and therefore it must be protected is a relatively modern one\(^1\). Until 1970 environmental protection had not been officially included within the national or international policies. It is only later that this policy gained significance on the national and trans-national political agenda. The very first modern framework-law on environmental protection was the *Environmental Protection Bill* adopted in 1969 in the United States, while in 1972 in Stockholm the first United Nations Conference on the Human Environment took place.

Henceforward, environmental protection was becoming an independent policy ruled by own principles.

In the 80's mostly in the United States and in Europe environmental policy finally had been ripe enough to be a priority and decision makers realized, that without integrating the environmental concerns into other policies, it would not be possible to cope with the increasing environmental and health problems.

*The Environmental Policy Integration (EPI) represents an innovative approach not only for the environmental sector, but for all other policies as well.*

Within the European Union, the environmental integration issue was raised already during the period of shaping of the EU environmental policy in the early 70's. But only in 1997 with the Treaty of Amsterdam the principle of 'EPI' was included in the fundamental principles of the European Community:

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\(^{1}\) In Hungary already between the two World Wars there was a quite efficient legal framework for the protection of nature see Remo Savoia *Il diritto dell’ambiente in Ungheria e la sua armonizzazione ai principi comunitari in materia ambientale* Rivista Giuridica dell’Ambiente. 1998 No. 3-4  p. 497-512.
Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development.  

Beside Article 6 the other important pillar for EPI is the Cardiff Process launched in 1999. The Cardiff Process can be considered as the implementing tool of Article 6.

The EPI represents a new chapter in the EU integration process. First, the EU had focused on economic integration with the ‘four freedom’ principle; the second stage was the European Monetary Union (EMU), with the introduction of the common currency. At the same time, due to the previous integration stages, living standards and economic conditions had been increasing in Europe, hence the quality of the environment started to be more and more important for European citizens. Therefore the third phase of the EU integration process can be considered to be the process towards sustainable development. In view of the author, EPI could be regarded as a new tool to cope with the third integration phase, in fact, applying EPI principles in the EU will help to realize an area which is not only developing from an economic point of view, but this development shall be also compatible with the environmental protection requirements.

It will only be possible to attain this objective, if the environmental protection policy would go through a quality change, namely not considering itself as an autonomous policy but a tool enabling to change other policies and human behaviours.

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2 Treaty Establishing the European Community, Art. 6.
The environmental protection had not been considered as a priority when the six founding states signed the Treaty of Rome in March 1957. At that time the main priority appeared to be the economic development of Western Europe along with the solution of the so-called "German question". Having in mind these priorities the founding members signed the Treaty in Rome, for the establishment of a European Economic Community, EEC. In the Treaty no mention is given to environmental or nature protection.

The EEC provided an effective and efficient system to help the members in their efforts towards economic and industrial development. One good example to view is the Italian "miracolo economico", where an almost agricultural country had been transformed into an industrial one.

Nevertheless, due to the fast industrial development of Western European countries in the 60's and at beginning of the 70's, the pressure over the environment and natural resources started to be manifested. At the same time, with the increase of the income rate per person linked to the economic development, European citizens started to look at quality of the environment as an important value of their quality of life. Europe, at present, is

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3 “It is true that economic growth entails increased pressures on the environment if there are no changes in the way the economy operates. Under such circumstances, an expansion of economic activities is likely to lead to decreases in environmental quality via a scale effect... When economics growth takes off, economies move out of agriculture and into manufacturing, thereby increasing the resource and pollution intensity per unit of production” European Commission Communication Economic Growth and the Environment: Some implications for Economic Policy Making com(94) 465 final. P. 2

4 “Az Európai Unió szakemberei egy fontos tendenciára hívják fel a figyelmet a környezeti Kuznets görbe révén. Gazdasági fejlődés egy bizonyos küszöbértéke felett mérséklődhet a környezet terhelése, a jólét magasabb szintjén nagyobb a társadalmi kereslet a jó minőségű környezet iránt. A környezeti Kuznets görbe szerint egy gazdaság reáljövedelmének növekedése első lépésben együtt jár a szennyezőanyagok kibocsátásának valamint a nyersanyagok felhasználásának növekedésével. A jövedelem egy magasabb szintjén azonban a növekedési ütemek rendszerint
in the third phase of the integration, however, sustainable development will not be reached automatically, but only if appropriate policies and tools come into practice. One of the most important tools is EPI.

The following statement is underlined the significance of EPI:

„Achieving environmental policy integration (EPI) is arguably the critical challenge confronting European environmental policy makers at the dawn of the new millennium. EPI means moving beyond end-of-pipe environmental regulation to address the root causes of environmental damage. However, as politicians are now beginning to discover, EPI is very different to traditional systems of pollution control, requiring a much more anticipatory and multi-sectoral approach to protecting the environment than that currently in place.

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5 "As income levels grow even higher, service activities increase their share in the economy. Because services are generally characterised by low pollution levels per unit of production this slows down pollution. It is clear that the European union is in this third phase. (…) what is more important, as economies grow richer, the latent desire for clean air and water is translated into policy. This is because the willingness to pay for environmental quality grows with income, (…) once a certain income level is reached, growth not only tends to raise citizens' preferences for a clean environment, but also provides the financial resources for taking effective policy action."

6 “However it is essential to point out that there is nothing automatic such a move towards environmentally sustainable development. Although it is true that economic growth by itself generates additional resources that can be devoted to pollution abatement and environmental protection, much of this will only materialise if an appropriate policy framework is put in place”

7 “When addressing the issue of economic growth and environment, a reassuring lesson we can draw from the past is that these key ingredients to the well being of the citizens of the Community are compatible, provided the right policy framework is put in place. However, it is becoming increasingly clear that we will have to rely more on integrating environmental considerations in policy making in all sectors of the economy. Integration promises to be both more environmentally effective and to allow sustainability to be reached at low cost, thereby opening the possibility of prolonged sustainable growth. (…) Clearly, in view of the need to integrate environmental objectives in all sector of society, relevant policy makers will ha to define, in collaboration with the social partners and other public authorities, cost effective environmental policies for those areas for which they carry the main responsibility”.
anywhere in the industrialized world. For a long time, these differences were not fully appreciated by those politicians who freely counselled greater integration as a means to solve Europe's environmental ills."

The objective of the dissertation is to analyse this almost unknown territory, taking into consideration the low number of literature available. The research is primarily based on official EU documentation along with a few scientific publications.

The structure of the dissertation is as follows:

1. From the EEC Environmental Policy to the EU Environmental Policy
2. The Theoretical Framework of EPI
3. EPI in the EU: Article 6 of the EC Treaty
4. The Cardiff Process
5. EPI and EU Common Foreign and Security Policy
6. Conclusion

The first chapter is focused on the developments of environmental policy in the EEC/EU until the Treaty of Nice, including the Accession Treaty and the Treaty establishing a Constitution for Europe. The objective is to show the major steps of establishing a Constitution for Europe.
the European environmental policy, the fundamental principles ruling the sector, the major instruments and the organisational structure.

From the second chapter onward we enter into the core of the dissertation, here, the theoretical framework of EPI is analysed on the basis of the existing literature.

What EPI is, how we can measure EPI, how EPI can be implemented, these are the questions that the present thesis tries to give an answer for in the light of the scientific literature.

The third chapter is related to EPI in the European Union. Here, the provisions of Article 6 of the EC Treaty are overviewed in details. The fourth chapter is devoted to the second important element connected to EPI in the EU, namely the Cardiff Process.

The fifth chapter shows EPI within the EU Common Foreign and Security Policy. To demonstrate how EPI is implemented in each EU policy goes beyond the scope of the present dissertation, therefore the author has decided to concentrate solely to one sector more in depth. The choice for the EU Common Foreign and Security Policy can be justified due to the fact that it is a good example on how Europe has moved from the EC environmental policy to an EU environmental policy, in fact, foreign relations and security belong to the so-called second pillar of the EU ruled differently compared to the EC.

The dissertation makes an attempt to answer to the following questions in order to define a theoretical framework for EPI:
• **What is EPI?** There are several definitions of EPI, for that reason it is necessary to overview the concept in details in order to find out what the objective of EPI is. All the analyses have been completed in the light of the scientific literature.

• **How is EPI implemented?** Once we analysed the objective of EPI along with its main characteristics, the second question is how to implement it, what kind of tools and strategies can be applied. Moreover, which are those factors that have an influence on EPI.

• **How can we measure EPI?** It is not only important to understand how EPI works but also whether it is efficient or not. To answer that question, it is necessary to identify and to analyse EPI indicators.

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**THE DISSERTATION VIS A VIS THE SCIENTIFIC LITERATURE**

It could be stated that there is a very low number of literature dealing with EPI. According to the findings of the author, there are 12 researchers that had dealt with EPI, mainly from the theoretical point of view (Collier, Liberatore, Persson, Hertin, Berkhout, Lenschow, Lafferty, Hovden, Lundqvist, Jakob, Volkery and Dhondt).

It seems that a larger number of scientific literature exists on the importance of the Cardiff Process, than the one referring to the theoretical background of EPI and/or the problems related to the interpretation of Article 6 of the EC Treaty. In
general, the literature regarding the Cardiff Process, also mentions the importance of Article 6, but without a detailed analysis on the given issue to this article. From the other point of view it is also true that there is a possibility to deal exhaustively with the three issues on separate measures (EPI in theory, Article 6, Cardiff), but to clearly understand what EPI represents in the EU is only possible if these three elements are analysed together. That is, in fact, the exact aim of the present study.

The scientific literature is based mainly on studies published in scientific reviews from the 90's onwards. There is only one book dealing with the objective of the given dissertation: Nele Dhondt⁹. The fact that EPI is gaining momentum among international scholars is confirmed by the three major events held during the past two years:


- The International Workshop “Environmental Policy Integration: Defining and Developing the State of the Art” - 21/22 March 2005 organised by The Centre for Social and Economic Research on the Global Environment (CSERGE), a leading interdisciplinary research centre in the field of environmental and sustainable development. The conference was organized by the Environmental Policy Research Centre (FFU) and Freie Universität Berlin in cooperation with the Global Governance Project (a joint research programme of the Vrije Universiteit Amsterdam, the Freie Universitaet Berlin, the Potsdam Institute for Climate Impact Research, and Oldenburg University), on behalf of the Environmental Policy and

Global Change Section of the German Political Science Association (DVPW). It was endorsed by the International Human Dimensions Programme (IHDP) core projects, Institutional Dimensions of Global Environmental Change (IDGEC) and Industrial Transformation (IHDP-IT).

- The PINTS Project: Policy Integration for Sustainability realized by the Stockholm Environment Institute, which was a four-year research project (2002-2006), focusing on the energy and agricultural sector in Sweden and EU. The project seeks to contribute to a policy system that better integrates environmental concerns into its processes and structures.

Apart from Sándor Kerekes\(^\text{10}\) – who had been mainly reflecting on the environmental integration in the economic policy – within the Hungarian literature it is not possible to find proper sources. Szalay\(^\text{11}\) recognizes that in the last decades one of the most important findings is that, it is not possible to consider environmental policy separately from the other sectors since environmental problems are present in every sector, and therefore it is necessary that environmental requirements will be considered during each activity, however, the argument has not been further developed.

Rezessy et al. recognize that EPI is a relatively new field in Hungary. In their work they deal with EPI in the energy and transport sector, but in the study, there is not a lot of emphasis on the scientific approach and it can be regarded rather as


a case study on EPI\textsuperscript{12}. Mrs. Kertész, Zsófia Zsuga is the only one, who partly, analyses the literature, but she has been regarding only two authors\textsuperscript{13}.

Not only the literature is not dealing with EPI, but neither the policy making. In fact, in the National Environmental Program 2003-2008 there is no indication of EPI\textsuperscript{14} at all.

All that is underlying the fact that Hungarian scholars have not investigated the subject in details, hence, from that point of view, the present study can be considered as a first step towards this direction.

**Major Findings**

On the basis of the work program, it was possible to establish an analytical framework for EPI.

**THE DEFINITION OF EPI**

EPI can be regarded as a process that helps to avoid potential conflicts between the environmental protection requirements and the sector policy through integrating the environmental concerns into the decision-making process of the sector policy from the very beginning and into each consecutive step of the

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13 Kertészné Zsuga Zsőfia, Kézirat *Kutatások a Környezetgazdaságtanban*, Debrecen University, Department of Economics. 2005 Debrecen

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process. The result will be a policy that is in line with the principle of sustainable development and environmental requirements.

**HOW EPI IS IMPLEMENTED**

In order to implement EPI successfully, it is necessary to consider both normative and organisational factors. The normative factor is the legal framework for EPI and plays a role only if there is a full support and commitment to EPI by the policy makers. The organisational factor has to be realised as the cooperation among different parts of the administration (national or international) along with the capacity of green lobby to cope with the sectoral lobby.

In order to demonstrate how these two factors are able to influence EPI, the author has applied the model developed by Hey.

**HOW EPI CAN BE MEASURED**

Up to now, there is no general system of indicators recognized for the measurement of the EPI level as such. It seems that each particular sector develops its own criteria.

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15 A good example of normative factor is Article 1 (Objectives) of Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment "The objective of this Directive is to provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development, by ensuring that, in accordance with this Directive, an environmental assessment is carried out of certain plans and programmes which are likely to have significant effects on the environment."
**THE HEY MODEL**

Christian Hey developed a dynamic model in relation to EPI implementation. The model describes the relation between the law-making capacity of public authorities (**normative factor**), and the capability of green lobbies to face the sectoral lobby (**organisational factor**). Within this factor, Hey does not include the importance of the communication and cooperation among the public authorities of the same administration, but only the role of the green lobby\(^\text{16}\). Nevertheless, as the present study indicates, it is a very important element to be considered for the evaluation of EPI in the EU.

If, within the organisational factor, this element is also taken into consideration we have the following **modified** Hey model:

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\(^{16}\) *Influence depends upon the capacity to mobilize and to form broad coalitions, the access to those coalitions to the policy-making system of the sector and its responsiveness*. Christian Hey, *Why does Environmental Policy Integration Fail? The Case of Environmental Taxation for Heavy Good Vehicles*. in: Lenschow, Andrea. Environmental Policy Integration. Greening Sectoral Policies in Europe. Earthscan. London 2002.
According to Hey, successful EPI can be implemented only in case, both factors are present. In fact, if the law-making activity in relation to EPI is high but the influence of the green lobby and the communication/cooperation within the public administration is weak, then it still means that the sector will develop without considering the environmental requirements.

In case of the opposite situation, there will be a kind of symbolic EPI with policy statements but along with weak implementation.

Thanks to this model it is possible to visualize how EPI is implemented in a particular sector.
THE EPI IN THE EU

Applying the above developed analytical framework the study analyses the normative and organisational factors for implementing EPI in the EU, namely Article 6 of the EC Treaty and the Cardiff Process.

According to this analysis, it is possible to assess how EPI is implemented in the EU. There is consensus among scholars that EPI in the EU can not be considered as a success:

“The apparent inability or unwillingness of some Council configurations to recognise the full range of (negative) environmental consequences of their policies and decisions, and the tendency only to address specific problems with obvious solutions, raise concern about the likely success of environmental policy integration in the European Union”.

„The legislative and declaratory basis for environmental integration in all policy areas of the Community are exemplary and hardly can be raised any more, but the programmatic contradictions between the EU’s objectives have not been resolved. The evaluation of the individual reports and strategies on environmental integration shows that little or no work is performed to identify inherent conflicts among sectoral programmes, let alone of finding a political solution for them“.

„There are strong arguments in favour of strengthening the Cardiff Process as an initiative specifically directed at the Council, with a clear

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17 A. Krämer Results of the "Cardiff-Processes" – Assessing the State of Development And Charting the Way Ahead, Ecologic Berlin 2001. p. 4
focus on environmental policy integration (...). (...) it is clear that a
number of steps need to be taken to make the Cardiff Process more
effective\textsuperscript{19}.

"The European Council of Cardiff significantly upgraded and advanced
the integration process by requesting the Agriculture, Energy and
Transport Councils to present reports on the implementation of the
integration principle in their respective fields. As outlined above, an
analysis of these reports, however, shows that there are no clear
ideas with regard to the substance and objectives of a sustainability
policy that is to be achieved by means of environmental
integration\textsuperscript{20}.

The European Commission itself recognizes that the process has not
brought the expected results:

"From the analysis of sectoral achievements above, it may be
concluded that the Cardiff Process has produced mixed results.
On the positive side, it has helped bring about on rate
improvements in some sectors - the Commission’s initiatives on
renewable energy and energy efficiency being an undeniable step
forward on that score. The 2003 and 2004 CAP reform greatly
contributed to progress towards Cardiff process objectives. The

\textsuperscript{18} Philipp Schepelmann \textit{From Helsinki to Gothenburg Evaluation of Environmental Integration in}
\textit{the European Union}, Sustainable Europe Research Institute, Vienna 2000. p 36.

\textsuperscript{19} David Wilkinson \textit{et al.}, \textit{The Future of the Cardiff Process} Institute for European Environmental

\textsuperscript{20} B. Gorlach \textit{et al.} \textit{From Vienna to Helsinki}, Wuppertal institute for Climate, Environment and
Cardiff process has also contributed to raising the profile of environmental integration, now regularly discussed at EU level. However, environmental integration commitments are still largely to be translated into further concrete results for the environment. To date, the Cardiff Process has failed to deliver fully on expectations. It suffers from several shortcomings.

When literature on the subject matter views the reasons for this low performance, it mainly focuses on the organisational factor, namely for the lack of communication within the Commission: "relationship between the Council and the Commission"\textsuperscript{22}, and "limited coordination between Councils"\textsuperscript{23}. The present study confirms that there is a strong normative factor (EC Treaty Article 6), but a weak organisational factor due to the lack of communication among the EU institutions\textsuperscript{24}. If we adopt the modified Hey model, the following scenario shall be faced.


\textsuperscript{22} David Wilkinson op. Cit. P 26

\textsuperscript{23} Ibidem p 26.

\textsuperscript{24} According to Schepelmann in order to overcome this situation EU should improve: "Direct dialogue among those responsible for environmental protection (...) and those in other policy sector must be part of the Cardiff Process. Such dialogue can be organised through joint committees, Joint council meetings. In general, the individual Council configurations evidently have difficulties in understanding the environmental protection requirements to be included in their deliberation" Schepelmann op. cit. P 36
EPI situation in the EU:
Normative factor +
Organisational factor –
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Growth strategy without taking into consideration the environmental requirements

That results in a strategy which does not lay an emphasis on the environmental concerns.

However, the EU appears to be concentrating more on enforcing the already strong element in the EPI, namely the normative factor:

The Cardiff Process needs clear leadership. A clear policy signal should be given by the European Council on the need to pursue environmental integration with determination through the Cardiff Process.
Sectoral councils should ensure that strategic aims are translated into clear operational targets\textsuperscript{25}.

In case the EU will improve the organisational factor mainly through enhancing the communication among the EU institutions and within the institutions itself, only then, EPI will have the chance to become a successful process as well as the major instrument towards sustainable development.

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Own Publications related to the topic


