

Arto Lindholm

Finland in EU Environmental Policy

HELSINKI 2002



*This report can be found on the Internet:
<http://www.vyh.fi/eng/orginfo/publica/electro/fe551/fe551.htm>*

*ISBN 952-11-1124-0 (nid.)
ISBN 952-11-1125-9 (PDF)
ISSN 1238-7312*

*The Finnish Environment 551
Ministry of the Environment
Environmental Protection Department*

*Lay-out: Seija Malin
Photo: the European Commission
Representation in Finland*

Edita Prima Ltd

Helsinki 2002

Foreword

Finland has been a member of the European Union (EU) since 1995. In the ensuing years, our environmental policy has been largely integrated with the EU's environmental policy. This has meant a historical change and has been a demanding challenge, not only for the Ministry of the Environment but also for the whole national coordination system for environmental matters.

This study aims to examine the experiences gained from Finland's environmental EU policy during the first years of membership. The main topics of the study are the status of the environmental dimension in Finland's national EU coordination, Finland's policy in the environmental council and Finland's interaction with the European Commission concerning environmental matters. Five case studies on relevant environmental policy were used to do the analysis. The study material comes from a number of interviews and public documents.

The questions we consider here are complicated and many-sided. Therefore, we believe that objective research is needed to provide the background for a deep evaluation of these issues and processes. We believe that this report will be useful in further discussions on the development of Finland's environmental EU policy and strategies to influence policy in the EU. However, it is obvious that more research in this field is needed.

This study was carried out in the Centre for Urban and Regional Studies. The Ministry of the Environment would like to thank Dr. Rauno Sairinen, who supervised the study, and Arto Lindholm, who wrote the study. In addition, the Ministry would like to thank all those who have taken part in the interviews or who have in some other way contributed to this work.

February 2002

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Acknowledgements

This study has been supported by the Centre for Urban and Regional Studies (YTK) at Helsinki University of Technology. Rauno Sairinen, who also worked as a leader and the main commentator and supporter of the whole research process, drew up the original research plan. I would like to express my gratitude to him. In addition, I want to thank Duncan Liefferink from the University of Nijmegen who gave valuable and comprehensive comments on different drafts of the study.

This study would not have been possible without the contribution of many people from the Ministry of the Environment. I would like to thank all those who have read and commented on different parts and drafts of this report: Outi Berghäll, Airi Karvonen, Satu Nurmi, Anneli Karjalainen, Leena Simonen, Tuija Talsi, Timo Parkkinen and Ulla-Riitta Soveri. In addition, Pasi Iivonen provided valuable help in practical matters. As an outside researcher, I needed to have information and comments from inside the environmental administration in order to understand the rather complex administrative practices of the EU environmental policy.

Finally, more than 30 people in Helsinki and Brussels lightened my work by giving interviews and sending published material. One of the most important, helpful persons was my wife, Mira Lindholm, who transcribed most of the interview tapes and wrote section 5.5 together with me. I am grateful for her selfless support.

February 2002

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Toijala

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Introduction

When this report was written, Finland had been a member of the European Union for six years. The membership changed the nature of Finnish environmental policy permanently. Finnish environmental policy had been developed in various international forums since the beginning of the 1970s. However, the international level of policy development did not acquire a central position in Finnish environmental policy until EU membership. Most if not all environmental policies in Western Europe are now either made by, or in close collaboration with, the EU. The Member States have been forced to alter their own domestic arrangements to harmonise them with those of the EU and to project their preferred approaches onto the European level. This two-way process has entailed a simultaneous Europeanisation of national environmental policies and domestication of European policy. Indeed, this has become so prevalent that the domestic policies of countries in Western Europe cannot be properly understood without taking EU legislation into consideration. For example, Rhodes (1994, 142) refers to the "Europeanisation of everything" in modern political life, and Rometsch and Wessels (1996, xiii) identify a "fusion" of national and European political arenas. Yet, in spite of this pronounced shift upwards in the locus of policy making, "the precise impact of EU action on the Member States has been curiously under-researched" (The European Union...1996, 1; Liefferink 2001).

The great significance of the EU membership on Finland's contemporary environmental policy created a need for a study to investigate Finnish involvement in the Union's environmental policy. The origin of the study dates back to 1997, when a Danish-Dutch research team (composed of Mikael Skou Andersen and Duncan Liefferink) made a comparative study of the impact of the new Member States (Sweden, Finland and Austria) on EU environmental policy (European environmental....1997). The study, which also received some publicity in Finland, gave an unflattering picture of Finland's activity in EU environmental policy. Finland was perceived as part of the so-called green bloc¹, but was also seen as more of a passive follower rather than an active leader. Andersen and Liefferink, however, were able to examine Finland only on the basis of limited research material. Moreover, at that time, Finland had been a member only a year. Far-reaching conclusions could not be based on such a short period of time.

We will be using the results of Andersen and Liefferink's research as an important starting point of our analysis of Finnish action in EU environmental policy. In this study we will not, however, draw a comparison between different Member States but perform an analysis in depth of a single green Member State, Finland. This perspective will serve the scientific community by supplementing existing comparative studies. Among other things, the study will serve the Finnish environmental administration by presenting information regarding how the representatives of the other countries judge Finland's environmental policy. In the study, we will identify the types of questions in which Finnish policy has been active, as well as examine why certain issues have not been given a very high priority. It is envisioned that the study will aid environmental administration in drawing up its future strategy.

¹This abstract bloc consists of Germany, the Netherlands, Austria and the Nordic States

Finland's European environmental policy will be examined in three different ways. We will ask what the status of the environmental dimension has been when the national position is determined in Helsinki. Then we will examine the Finnish policy style in the Council of Ministers and how Finland has attempted and succeeded in making an impact on the Commission's environmental policy. This overview will go into more specific detail of the actual decision-making level through five case studies: The Strategic Environmental Impact Assessment (SEA), Finland's Share of the EU "Bubble", the EU-wide carbon-energy taxation, the Directive on Large Combustion Plans (LCP) and the Framework Directive of the Integrated EU Water Policy.

The core of the research consists of 27 interviews with 29 interviewees in all (two of the interviews were conducted with two interviewees each). Six of the 29 interviewees were representatives of the Commission's top level, five from domestic or foreign interest groups, six from permanent representations of the other countries, and 12 were experts or civil servants from various ministries. Different interviews were used for different purposes. The purpose of the expert interviews was to produce exact information for the analysis of the case studies. The purpose of the interviews conducted with Finnish policy makers was to get an idea of how Finland is perceived in the context of EU environmental policy. Representatives of the other Member States confirmed this perception and went into greater detail during their interviews. The research material was collected mostly during the year 2000.

In addition to interviews, public and semi-public documents were used as material for the case studies. In order to create an overview, voting statistics, implementation rates and different types of government-level documents were included in the corpus. Only the relevant parts of the cases were analysed at full length. We analysed the ways in which Finland has made an impact on the launching and formulation of the Commission's proposals. At the domestic level, we examined how Finland's common position was developed. During the negotiations in the Council, we noted Finland's willingness for compromise solutions and alliances and the degree of ambition of Finland's environmental protection position.

The study is structured as follows: In the first chapter, we will describe the main changes in the EU environmental policy over the last 30 years. This introduction will help us to perceive the level of importance that the environment has in EU policy. The second chapter will introduce the relevant approaches and results of previous studies relevant to the research question. In the third chapter, we will focus on the features of Finland's EU policy as well as present the results of previous studies on Finnish policy and describe the particularities of Finnish policy style and environmental concerns. The research task will be presented against this background. Next, the relevant points of the five case studies will be described from the perspective of the research task. The results, conclusions, and the researchers' views on prospects for further developing Finland's influence on the EU environmental policy will be described in the last chapter.

The Background of the EU Environmental Policy

1.1 The Breakthrough of the Community's Environmental Policy

When the Treaty of Rome, establishing the European Economic Communities (EEC), was signed on March 1957, no explicit reference was made either to environmental policy or to environmental protection. At that time, there was little recognition of possible ecological limits to growth. The primary aim of the six founding Member States was to establish a common market with four "freedoms", within which goods, people, services and capital could move unobstructed. One could interpret Article 36 of the Treaty as referring implicitly to the protection of the environment. Therein, it is stated that it is justifiable to restrict the import, export, or transit of goods on grounds of the protection of health and life of humans, animals, and/or plants – among other things. Furthermore, the very general phrasing of Article 2 can be interpreted as implying that the harmonious development of economic activities includes not only an improved material standard of living but also an improved quality of life. (Hildebrandt 1993, 16–17.)

Nevertheless, the phase from 1956 to 1972 is best understood as a time of pragmatic measures as opposed to policy proper. Limited legislation was passed but these were not based on an established set of rules pertaining to the protection of the environment. (Hildebrandt 1993, 15–18.) The initial primary motivation behind the Community's efforts in the environmental field was to ensure that different national environmental standards and regulatory procedures would not become obstacles to free trade and business competition (European Integration...1993, 5). In fact, the issue of the environment did not yet exist per se but could rather be described as "incidental" to the overriding economic objectives (Hildebrandt 1993, 13–20).

Concern for the environment grew rapidly in the late 60s and early 70s. The one event most frequently credited with beginning the "Environmental Revolution" was the publication of *Silent Spring* by Rachel Carson (1962). New social movements with anti-industrial, counterculture features emerged and grew rapidly. New environmentalism peaked in April 1970, when Earth Day, the largest environmental demonstration in history, was held in the United States (McCormick 1989, 67). In West Germany, Willy Brandt put environmental protection on his 1969 election platform and, as Chancellor, granted high political priority to environmental protection. Institutionally, France went even further, becoming the first European country to establish its own Environmental Ministry. (Hildebrandt 1993, 24.) The UN Conference on Human Environment, held in Stockholm in 1972, was the culmination of a newly emerging international sensitivity towards environmental protection. At the same time, *The Limits to Growth* (Meadows 1972) and *A Blueprint for Survival* (Ecologist 1972) caused fear of a future apocalypse by arguing that, if current trends were allowed to persist, the irreversible disruption of life-support systems on this planet would be inevitable.

This "environmental revolution" had an impact on EC environmental policy. During its tenure of the EC presidency, France initiated the establishment the first environmental programme at the 1972 Paris Summit. The Federal Republic of Germany and the Netherlands, both of whose strict national standards were liable to cause trade distortion, were the strongest supporters of a common environmental

policy. However, the advance at the environmental level did not become a mere footnote in trade distortions. The governments felt a need to initiate a coherent response to the increasing political pressure from the environmentalists – on both national and international levels. Considering the transnational characteristics of pollution in Europe, concerted supranational efforts were needed which could be based on the existing political structures of the EC. (Hildebrandt 1993, 24–25, Von Weizsäcker 1994, 29)

Consequently, the year 1972 must be regarded as a turning point in the evolution of a concerted Community environmental policy. The first Community Action Programme on the Environment (EAP) was adopted in 1973 by the Council of Ministers (hereinafter referred to as “the Council”). The Action Programmes are comprehensive frameworks aimed at guiding Community environmental policy making, usually for five-year periods. Action Programmes are not binding in a strict sense; they are recommendations but they do have certain political weight as a statement of the Commission’s priorities for the coming years (e.g. Liefferink & Andersen 1997, 14). Even though the first Action Programme (1973–77) concentrated mainly on controlling pollution and harmful environmental effects, the Council also adopted 11 principles that gave a framework for future environmental policy. Some of these principles, such as the Polluter Pays Principle and preventive action, are still the main points of departure for current EU environmental policy. Once the first Action Programme had been drafted, it became a matter of routine to continue doing so: new ones were produced out of habit. Thus, the first Action Programme was followed by a second programme in 1976, by a third one in 1983, and so on.

While the second and third programmes remained within the general framework of the policy as outlined in the first programme, they also introduced some new elements. Most importantly, the third programme advocated the implementation of an overall strategy that would permit the integration of environmental considerations into certain other Community policies such as those for agriculture, energy, industry, and transport. The programme again reinforced the preventive character of Community policy, specifically referring to the Environmental Impact Assessment Procedure. According to the resolution of the programme, the EC environmental policy could no longer be dissociated from measures designed to achieve the fundamental objectives of the Community. (Hildebrandt 1993, 21–22; Kronsell 1997, 120.)

The late 1980s has often been regarded as a new turning point of the EU environmental policy (e.g. Hildebrandt 1992; Raumolin 1991), one that launched the second green wave. In 1987, the World Commission on Environment and Development (the Brundtland Commission) published its report on our common future that brought the concept of “sustainable development” into world-wide awareness (WCDE 1987). The nuclear plant accident in Chernobyl increased demands to extend environmental considerations into energy policy. At the same time, the project to complete the Single European Market, the unification of Germany and the collapse of the Soviet Union launched a kind of Euro-optimism or even a kind of “Europhoria” on the entire continent. Environmental destruction, Euro-optimism and the related deepening of integration, together with growing environmental awareness, gave an opportunity to a more ambitious environmental policy initiative within the EU.

In the late 1980s and early 1990s, the flow of legislation adopted in the EU increased dramatically and the EC had become the most important source of environmental policy in Western Europe. It is sometimes even claimed that the primary decision-making centre for all Member States had shifted to Brussels. However, Duncan Liefferink argues in his dissertation (1996) that the transfer of ecological sovereignty should not be exaggerated. In countries like Finland, national standards are high and most crucial decisions are still made at the national level. During the late 1980s, the environmental policy paradigm in the EU changed

considerably. As late as in the late 1970s, the debate had focused on questions of environmental health, air pollution, and an older tradition of nature conservation. This led first to a strategy of dilution (high-chimney policy), then to a demand for add-on clean-up technologies (end-of-pipe policy). In highly developed countries, such as the Netherlands and Germany, the debate began to shift towards the overall resource input to industrial production. (Jänicke & Weidner, 307.) The target moved away from correcting towards preventing environmental damage.

The implementation of this task called for new instruments of environmental policy. At least since the beginning of the 1990s, eco-taxes, eco-labelling, tradable permits and voluntary approaches have been instrumental in broadening the set of policy instruments beyond command and control regulation. (e.g. Sairinen 2000.) In reality, however, the EU has fewer environmental policy instruments to choose from than do the national governments. At the supranational level, environmental policy is still framed against an essentially technocratic background. The broadening of the set of instruments to economic ones has been especially difficult, as our case study of the EU-wide carbon-energy tax will reveal (see chapter 5.3).

The Fifth Action Programme for the Environment (1993–2000) entitled “Towards Sustainability” was hugely more ambitious than any previous programme. It made explicit reference to the notion of sustainable development. The broadening of the set of policy instruments beyond command- and-control regulation was one of the key orientations of the new EU approach as defined in the Programme (e.g. Biekart 1998, 166). It recommended the use of a wider range of instruments, notably market incentives and voluntary approaches. As this study is being written, the Sixth Programme, based on the previous one, is under preparation. In general, the phase after the late 1980s can be seen one of a considerable shift from environmental reactive ad hoc policy towards pro-active policy that addresses the causes rather than the effects of environmental problems.

1.2 Institutional Turning Points

Even though the Community’s environmental policy evolved quite significantly during the 1970s and early 1980s, both in terms of the underlying political attitude towards environmental protection as well as the amount of adopted legislation, the actual legal basis for the policy remained relatively weak. As late as the mid-1980s, the community still lacked the formal competencies for dealing with many environmental problems. All environmental decisions made in the Council had to be unanimous. The European Parliament (EP) had a virtually insignificant role. Three institutional changes deepened integration generally: the Single European Act (SEA), the Maastricht Treaty (TEU) and the Amsterdam Treaty. These changes also strengthened the legal basis of environmental policy during the 1980s and 1990s.

The adoption of the SEA in 1987 dramatically changed the legal basis of the Community’s environmental policy. The Danish government led the push for including a chapter on the environment in the revision of the treaty. The SEA marked the single most influential step forward in the history of the development of the EU’s environmental policy. The SEA ensured that environmental protection could manage on its own without artificial connections to the Single Market (Sairinen et al 1999, 41). Thus, through the SEA, the EU has an environmental policy, not only de facto, but also de jure. Legal recognition of EC actions in the area of the environment was part of the more general tendency in this period to extend the EC’s activities beyond purely trade-related areas. Consequently, it can be maintained that the inclusion of ecological (and other post-industrial) objectives into EC policies did not act as a brake on the integration process, but rather changed and broadened its character (European Integration...1993).

This broadening has been attributed to the “tacit bargain” between the northern and southern states of the EU, thus identifying what the basis of future cooperation should be. The northern states of the EU agreed to make regional and social funds available to the southern states in return for an agreement on their part to raise environmental standards and to complete their integration into the internal common market. (Barnes & Barnes 2000, 47.) However, despite this formal recognition of environmental protection, this agreement has been criticised for placing the Community’s environmental concerns in the margin of the single market programme (e.g. Wheale & Williams 1993).

The SEA was also very important for the development of environmental policies for it introduced a cooperation procedure and qualified majority voting (QMV). The cooperation procedure strengthened the relative power of the European Parliament (EP). The EP is often considered the “greenest” of EU institutions and the Members of the EP have used their powers with great effect in the area of environmental policy (Barnes & Barnes 2000, 17). Especially after the SEA, the EP has manifested its desire to play a crucial role in environmental policy making (Sherrington 2000, 130). Even though QMV was already part of the original Treaty, the SEA made its use possible when dealing with environmental issues under Article 100a.

Article 130r of the SEA made the principle of subsidiarity applicable to environmental issues as well. For environmental policy, subsidiarity implies that the supranational institutions of the Union play as small a role as possible, leaving Member States substantial and maximum discretion. The Community can only take action in areas that fall within the EC’s exclusive competence or which are better managed by EC institutions. (Zito 1997.) According to Antony Ikwue and Jim Skea (1996, 77), this has changed the balance of power between EC institutions and Member States, a balance that had been relatively unstable. In the 1980s, Member States lost some of their sovereignty when it came to environmental legislation. By introducing the subsidiary principle, the Single European Act gradually restored the autonomy of the Member States. In the 1990s especially, the development and implementation of the subsidiarity principle has allowed power to flow back to the Member States in the environment policy domain as well as in other areas. On the other hand, Duncan Liefferink (1996) warns against exaggerating the practical impact of the subsidiarity principle. Actually, environmental policy provides a typical example of the complexity arising from the great number of actors striving to influence decisions.

The Maastricht Treaty (TEU) established the European Union in 1993. In accordance with the Treaty, qualified majority voting was introduced for most matters of environmental policy and it increased the EP’s say over environmental standards. In addition to the cooperation procedure introduced by the SEA, Maastricht also contained a new co-decision procedure under Article 189b (Hildebrandt 1993, 37–38) Thus, the TEU gave the EP the authority to veto (by an absolute majority) any policy measure on which the Council could not reach agreement. These changes have led to more consensual decision-making in the EU and have greatly diminished the collective control that governments exercised through the Council. The demand to integrate environmental concerns into other policy areas was also strongly emphasised in the Maastricht Treaty. In accordance with Article 130r(2) of the Treaty, “Environmental protection must be integrated into the definition and implementation of other Community policies”.

The 1996 Intergovernmental Conference (IGC), which eventually led to the Amsterdam Treaty of June 1997, was primarily a revision of the Maastricht Treaty. The Amsterdam Treaty made notable improvements on the status of the environment within the Union. Sustainable development was included among the formal objectives of the EU, enshrined in Article 2 and mentioned in the Preamble. Sector integration was also granted formal status. The new Article 3D stipulated 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 gave legal weight to the principle of sector integration², although, significantly, there was no new institutional machinery to enforce it (Jordan 1998). Real change in the process of sector integration will depend on the ability of the Directorate-General for the Environment, Nuclear Safety, and Civil Protection (Environment DG) to win key battles with other directorates.

Article 130s, as part of the large package of Treaty provisions in various policy fields, was brought under the co-decision procedure and the QMV. Under the extremely complicated co-decision procedure, when the EP and the Council cannot agree on a proposal, a Conciliation Committee (made up of representatives from each body) must be convened. This measure, which considerably enhances the power of the Parliament, is one of the EU's responses to the perceived "democratic deficit" in the current decision-making process (Jordan 1998.). However, environmentalists have failed in their bid to extend QMV to all aspects of environmental policy, probably due to the opposition in principle against any extension of co-decision and QMV by the UK (Lieverink & Andersen 1998a, 87). In some cases, there still remains a lack of clarity between legislation linked to trade harmonisation (Article 95 TEC (100a TEC)) and protection of the environment (Article 175 TEC (130s TEC))³. Perhaps the worst disappointment to environmentalists was the fact that fiscal measures and water management will continue to be subject to unanimity voting in the Council and that the EP will have only a consultative role in such cases.

The Amsterdam Treaty also renewed the Member States' right to follow a stricter environmental policy and it facilitated citizen access to documents. A new set of paragraphs was added to Article 100A (known as the environmental guarantee) justifying Member States maintaining and introducing stricter legislation in certain cases. The new Article 191A confers on every EU citizen the right of access to documents held by the Council of Ministers, the Commission, and the European Parliament. There are some exemptions and each body will have to determine specific rules for disclosure. Of all the proposed changes, this could be the most far-reaching. It could, for example, preclude secret votes in the Council and put an end to the custom of attaching unpublished "interpretative minutes" to directives. (Jordan 1998.)

1.3 EU Environmental Politics Today

Many studies on environmental policy within the EU suggest that environmental policy should be given the same status as economic and internal market policies. This view is justified, whether one considers institutional development, top-level agendas, or the increase in environmental legislation. It is to the EU's credit that, had it not been for its policy, the level of environmental protection (especially in the southern Members States) would be nowhere near the current level had they not been members of the EU. The importance of the EU to the development of environmental policy in southern Europe is illustrated by the fact that, in Portugal and Greece, the proportion of EU environmental acts in their national environmental legislation is estimated to be up to 98 %, whereas the same figure in Denmark is only 35 % (Demmke 1997b, 50–51). Thus, the environmental policy of the EU has produced results that are far more ambitious than under standards based on the lowest common denominator. Instead, common environmental standards have attempted to

² The integration of the environmental dimension into other policy fields is often referred to as the "Cardiff-process". This study uses the concept of "sector integration".

³ The Articles of the Treaty were renumbered in the text of the Amsterdam Treaty. The old numbers are shown in parentheses along with the new ones.

reach the level of those found in Member States that have strict environmental regulation in place. In central and eastern European transition countries, environmental issues have been taken into consideration mainly because of those countries' goal of harmonising their legislation with that of the EU (Sairinen et al. 1999, 86; Slocock 1996, 501–504).

On the other hand, one could take quite a cynical attitude when it comes to evaluating the Union's achievements in the environmental field. According to critics, the purpose of European integration has been to develop the Community into an economic superpower with which only the United States and Japan would be able to compete on an equal footing. In order to achieve this goal, the EU still aims at maximising economic growth. All the other points (including environmental issues) are still subordinated to this goal.

Even whilst acknowledging the achievements of the EU, the critics focus on the slow realisation of concrete measures. The transfer of the objectives listed in the EAPs into binding legislation has been frustratingly slow. Compared with other policy areas, environmental policies remain on a fairly superficial level. Despite the progress that has been made on the introduction of environmental protection measures, the economic imperative continues to provide the context in which policy is formulated. Nor is being Commissioner of the Environmental Directorate regarded as very prestigious. For instance, the position of Ritt Bjerregaard, the Commissioner for the Environment, became difficult in the Commission when she tried to push through measures that were deemed too radical (Barnes & Barnes 2000, 81). As the institutional position of the environment is too weak to be truly significant, its only chance is to become an integral part of general EU policy.

Merely counting the number of directives that have been issued cannot assess the success of EU environmental policy. Until the beginning of the 1990s, new directives were being produced with increasing speed. The result was that, by the beginning of the 1990s, more than 200 pieces of Community legislation had been adopted and approximately 200 other measures introduced. By 1995, the number of pieces of legislation introduced had slowed down, as the legislation to implement the internal market was completed. However, this does not imply a reduction in the significance of environmental issues in the Union's policy. The Commission has recently attempted to adopt a more holistic approach to environmental protection. The use of framework directives provides such an opportunity. The introduction of some wide-ranging environmental legislation has been accelerated with an increased focus on framework directives for air and water quality and integrated pollution control (Barnes & Barnes 2000, 81).

The European Union can be expected to face a great many changes in the near future. The policy-making process continues to be a potential source of major problems relating to fragmentation and lack of policy coordination. The effectiveness of policy measures is undermined by the inadequacy of implementation and enforcement by the national governments. As the expansion of the EU into Central and Eastern Europe is achieved, this complex system will be placed under further strain and reform of the institutional structure of the Union (which was not addressed in the Treaty of Amsterdam) will become urgent. (Barnes & Barnes 2000, 97.)

The expansion will create special challenges for environmental policy. It is highly unlikely that the new entrants will be able to conform to current EU environmental requirements in the short term. Indeed, the determination of how long this will take is a difficult task whose completion will take some time. The Commission admits that incorporating existing EU legislation into the new entrants' legal systems will be a huge problem and implementation will be even more complicated. (Jordan 1998.) This will almost inevitably lead to greater flexibility with regard to the differentiation of standards in the EU and thus to more freedom for environmentally progressive Member States to develop their own policies. (Anderssen & Liefferink 1998b, 255)

Finally, the EU faces the great challenge of improving its legitimacy in the eyes of its citizens because it has failed to meet their expectations. A case in point is environmental protection that is one of the policy sectors in which citizens would have expected the Union to perform better.

According to Eurobarometer polls, environmental policy and employment creation continue to appear as the two most important objectives for the EU (Delbeke & Bergman 1998, 243). The Union has not, however, effective enough instruments to satisfy its citizens' justified expectations, although the general status of environmental protection has strengthened considerably during the last decades. (Rehn 1998, 73.) Comprehensive and ambitious environmental programmes have raised the expectations of the public. However, the programmes have been put into place very slowly and this has caused frustration. One might even say that citizens are led astray by high-flying declarations that, in the end, amount to very little. It is for this reason that many Europeans and environmental organisations regard the EU as a huge fumbling bureaucratic machine incapable of countering common threats.

Theoretical Background of the Study

2

Before moving on to examine Finland’s environmental policy in Chapter three, we will first take a look at the central features of policy making in the EU from this study’s perspective. In the first five sub-sections, we will consider the role of Member States in such a highly complex decision-making system. Through an examination of policy networks, we will introduce the actors of the Union’s environmental policy realm and we will use the concept of “regulation competition” when examining their inter-relationships. Although the Council is the official institution where the Member States can defend their interests, the Member States can influence the Union’s policy at all levels of decision-making. In sub-section 2.5, we will examine the ways in which Member States are able to direct the supranational policy in whatever direction they wish.

In the last five sub-sections of the chapter, we will examine how Member States act in concrete terms. Voting is, of course, one way to take a clear stand for or against some issue. Adoption of the qualified majority voting system in environmental questions has made the forming of alliances especially important. Alliances are established both to counter some decisions and to produce others. It is well known that some Member States are striving for a more ambitious environmental policy than others. However, there are also many types of green strategies, as we will show in sub-section 2.7.

The role of Member States does not end when a decision is taken. The decisions must also be executed. As our aim is to present an overall picture of EU environmental policy in Finland, we will also examine the significance and problems of implementation. In the last sub-section, we will examine the phase preceding decision-making, with particular attention to the ways in which the national positions of a Member State are defined. The theoretical section is relatively large but we have aimed at a concise presentation. At the end of the chapter, we will summarise the central observations in the form of hypotheses.

2.1 Complexity

In comparison with national governments, the EU is overwhelmingly more complex (E.g. Nugent 1989; Kronsell 1997; Liefferink & Andersen 1997; Zito 1997). The EU is a multi-tiered organisation with loosely defined levels of “agenda-setting” and with institutions that often lack coordination. Even the formal policy process has become extremely complex, especially after the Maastricht Treaty. There are about twenty different formal decision-making procedures as well as an abundance of informal processes. Bargaining and coalition formation occur at many points along the policy-making process: between the Member States, between the ministries of the Member States and interest groups. This is further complicated by intra-Commission bargaining and inter-institutional negotiations involving the EP (Porter 1997, 84).

Consequently, the existing decision-making process cannot be described simply by focusing on the institutions in Brussels. There are a great number of organisations involved in the decision-making process. This means that any decision made in any policy area must go through the chain of EU institutions and through consultations with external actors, i.e. (supra)national and regional administrations and interest

groups. There is a constant flux of events and people within and between the different Community institutions, on all three levels (local, national and international) and in various contexts (political, bureaucratic, informal, and personnel). Complexity also means ongoing tension and an uneasy balance between interests at many levels: supranational (e.g. Commission), functional (e.g. the environment) and territorial (France, Bavarian and so on). This cacophony of institutions, levels, and contexts makes it hard to follow the progress of an initiative and even the organisational members do not always fully grasp the processes involved. (Zito 1997, 12–13, Kronsell 1997, 74–75.)

Furthermore, the EU policy-making process is highly differentiated along functional lines. There is, for instance, the Environment DG, a Committee for the Environment, Public Health and Consumer Protection in the EP, and an Environment Council. It is very difficult to coordinate policy action across different issue areas. When policies are interrelated, actors in one functional area are usually less informed and less able to influence what is happening in other functional areas than can actors in that area. (Grant 1993; Zito 1997, 13.) What makes the situation even more difficult is the fact that there is lack of correlation between the structure within the Commission and the EP's committee structure. The Environmental Committee processes issues that are dealt with by two different directorates and commissioners. This structure is the result of historical accident and political necessity (Cini 1996, 102).

Because of its complexity, the EU decision-making system has been called "organised anarchy" (Kronsell 1997) or "organised schizophrenia" (Rehn, 1998, 11), by which the authors especially refer to the ambivalent relationship between the Member States and supranational EU institutions. Thus, we can hardly say that there exists a standard or typical Community policy- or decision-making process. (Kronsell 1997, 74, Nugent, 1989, 231.) Peters (1994) singles out three reasons for this. The institutional structure of the Union is more fragmented than that of most national systems, the EU level has very limited tools to coordinate the diverse inputs to the system, and the "systemic" agenda is exceptionally large.

The institutional structure is also changing shape. According to Mazey & Richardson (1992, 109–128, cit. Kronsell 1997, 153) the Community is a *sui generis* organisation because of its institutional competence, general membership, areas of interests, and its continuously evolving policy-making process. The general approach is moving increasingly from an institutionalised and centralised top-down approach towards a bottom-up, informal partnership approach. Both the Council and the Commission rely more and more on the support of national civil servants and experts because they increasingly lack the resources to respond to the needs of 15 Member States (or even more in the event of further expansion). Actually, environmental policy provides a typical example of the complexity caused by the great number of actors seeking to have their say.

According to Liefferink and Andersen (1997, 16), complexity is most apparent in the early stages of the process, i.e. in those led by the Commission. The process of agenda setting is less structured when compared to the final stage of decision-making by the Council. This follows formal procedures, at least in principle. Although the Commission has, without doubt, the official and unique right to initiate legislation, the formulation of policy proposal by the Commission should in fact be regarded as the outcome of a process in which many actors play a role. This is especially the case when talking about advocating genuinely new policies and approaches.

The current need to reform the institutions of the EU and simplify the complex policy process imposes limits on future action. The complexity raises questions for a researcher as well. How to systematically analyse policy processes that do not follow established rules? One way of disentangling the complexity of the EU policy process and making it more understandable is to break the process down into a limited number of steps, each of which can be studied separately. What follow is a

revised version of the Model of Policy Cycle developed by Howlett & Ramesh (1995, cit. Sairinen 2000). To the original model, we have added actors (Members states, formal institutions of the EU and interest groups) that have different roles at different stages of the policy cycle. In this study, we will discuss each stage separately. It is important to note that Member States can intervene at any stage of the decision-making process, both in a formal and informal manner. In the next two chapters, we will take a closer look at the relationships between the actors and more specifically at the relation between Member States and other actors.

Table 1. Policy cycle and its actors.

Phases of applied problem-solving	Stages in policy cycle.	Actors
Problem recognition	Agenda-setting	The European Council (formally) The Commission (formally) All the other actors (indirectly)
Proposal of Action	Policy formulation	The Commission (formally) Member States (indirectly) Brussel Interest groups (indirectly) The EP (indirectly)
Choice of solution	Decision-making	The Council (formally) The EP (formally) Domestic/Brussel interest groups (indirectly)
Putting solution into effect	Policy implementation	Member States (formally) The Commission (formally) The Court (formally) Domestic interest groups (indirectly)
Monitoring results	Policy evaluation	All the actors

In this revised model, “agenda-setting” refers to the process by which problems come to the attention of the Commission. Even though the Commission is the main initiator and actor in the drafting of proposals, this does not necessarily mean that the Commission is the original source of a proposal. The Commission is open to the influences of the Council, the EP and/or groups of lobbyists for the identification of problems. Actually, the original source of problem recognition is often impossible to trace because the identification of problems takes place at a number of different levels and involves different actors with differing results. Public awareness and the existence of highly motivated protest groups have helped to maintain both the level of interest in the development of environmental policy within the EU and its priority on the EU’s agenda. The media has played an important role in mobilising public interest, often through spectacular and sensational reporting (Barnes & Barnes 2000, 65).

Within the institutional framework of the EU, the role of the European Council in agenda setting is crucial. No major development in the EU has occurred without having been discussed at summit meetings of the Heads of Government. The last key European Council declaration, published in June 1998 in Cardiff, underlined the importance of the integration of environmental requirements into other policies. (Barnes & Barnes 2000, 65–67). In addition to the European Council, the Council of Ministers and the EP also have the right to initiate legislation. In practice, this means that the EP and the Council have the opportunity to ask the European Commission to draft proposals for legislation.

“Policy formulation” refers to the process by which policy options are formulated within the Commission. At this stage, the Commission does not act in a vacuum either. The Member States, as well as the interest groups and the EP, have many opportunities to affect the formulation of a proposal.

The Member States have many different occasions for influencing the Commission’s policy. The Commission arranges workshops and hearings in which national experts participate. The permanent staff of the particular Member State and informal contact networks also plays important roles (see Chapter 2.4). In parallel with meetings with government experts, discussions with organisations from trade, industry, and environmental organisations also take place (Demmke 1997a, 9). Lobbying at an early stage of the policy design process is more likely to produce a successful outcome because, once the negotiation process begins within the Council, any flexibility in the system is lost as the vested national interests of all the Member States begin to be brought to bear on the issue (Barnes & Barnes 2000, 65).

“Decision-making” refers to the process by which the Council adopts a particular course of action or non-action. The Commission’s proposal is first delivered to the Presidency of the Union and then to various working parties of the Council. At this stage, the Member States naturally play a crucial role but, after the introduction of the co-decision procedure, the EP’s right to negative assent also confers on it equal formal status. The EP also has the right to propose amendments to legislative proposals. If the Council rejects these suggestions, the proposal is referred to the Conciliation Committee, which is made up of an equal number of representatives from the EP and the Council. Interest groups can influence decision-making indirectly by lobbying the domestic governments and the EP.

“Policy implementation” refers to the process whereby governments put the decisions into effect. Monitoring of the proper implementation of the decision by Member States is formally in the hands of the Commission and, at the last stage, the Court. In practice, however, implementation is also monitored informally by various interest groups (mainly environmental) who use publicity to expose slowdowns in decision implementation at the national level. Naturally, environmental groups also actively use the right to complain directly to the Commission.

“Policy evaluation” refers to the process whereby results are evaluated by European and national actors. This assessment may give rise to a re-thinking of policy and solutions. In other words, policy evaluation does not refer only to the “post-policy” stage but can start an altogether new policy cycle as well.

2.2 Policy Networks

Most traditional theories on political decision-making, such as those based on pluralism and corporatism, fall short when it comes to evaluating the complex mechanism of EU decision-making. These theories distort the process by only drawing attention to certain aspects of it (European Environment...1997). Although the concept of developing networks was originally applied to the relationship between the central and local tiers of government in the UK in a period of policy stability, it provides a valuable tool for understanding the way in which policy is formulated in the EU (Mazey & Richardson 1996). The concept of policy networks can be used as an analytical tool to make sense of an undeniably complex reality. A policy network is a normal part of any policy process but becomes crucial when the policy process is fragmented and complex, as in the EU’s case. Networks transcend constructed boundaries and can contribute to stability, predictability, and familiarity (Kronsell 1997, 155). Policy networks are thus formed naturally between political administrators and various organised interests.

Policy networks are a “cluster of complex of organisations connected to each other by resource dependencies and distinguished from other clusters or complexes

by breaks in the structure of resource dependencies” (Rhodes 1988, 77–78, cit. Zito & Egan 1998, 96). Indeed, the key words of policy networks are interdependency and exchange of resources. Networks exist where there is exchange of resources between the State and group, ranging from a limited exchange of information to the institutionalisation of such groups within the policy process.

In particular, the concept of policy networks is an attempt to explain the interactions that take place in a policy-making environment involving a large number of actors. The concept provides an explanation for four major constraints that affect the actors in the EU policy-making process. These are:

- The formal limits imposed on the policy-making organisations by the roles given to them in the various Treaties.
- The financial and informational dependencies that may affect the policy makers.
- The differences in the values and expectations of the actors in the policy-making process.
- The role of civil servants, experts, and other non-politician actors as actual decision makers. (cf. Barnes & Barnes 2000, 63)

The first two points refer to the formal and the informal dependency of the actors. Of course, all initiatives must go through all the relevant EU institutions as well as the 15 national decision-making processes. This makes individual organisations within the system dependent on each other – despite differing motives. Interdependency can be found on all levels; it is not just an institutional phenomena. Interdependency can be divided into four functional sections: legal dependency, political legitimacy, economical, and informational (inter)dependency.

(1) *Legal dependency.* The most obvious type of interdependency between EU institutions is legal. This refers to the formal process of policy making in which negotiations take place within the institutional triangle of the Commission, the Council, and the EP. The institutional framework for policy making is supported by the Court of Justice, by the Economic and Social Committee, and by the Committee of Regions. The formal roles, tasks, and relationships of these institutions are in principle well defined in the Treaties. The main reason why the Commission has maintained its position as the key factor in the EU is the simple fact that the Commission has the formal right of initiative. Because of this, the Member States are dependent on the Commission if they want to launch a proposal for new policy. However, the formal positions only constitute a starting point in understanding the complex interdependency of actors.

(2) *Political legitimacy.* The Commission’s legitimacy depends on the support of the Council and the European Parliament. Ultimately the Commission’s legitimacy depends on its ability to perform effectively the tasks assigned to it (Rehn 1998, 80). First, the Commission has to demonstrate its ability to reconcile and mediate competing interests better than would the Member States on their own. Second, the more Member State and lower echelon participation there is, the easier it is for the Commission to justify its actions (Lampinen & Uusikylä 1998, 228). Conversely, it would be unreasonable for the Commission to undertake projects if it were unable to get Member State support. Thus, the Commission increasingly seeks to establish networks and create partnership-oriented concepts together with national administrations. It does so by organising working groups, hearings, workshops or calling in experts (Demmke 1997a, 6). As a consequence, the Commission hands over some of its power to the Member States and, in exchange, receives more legitimacy for its policy and better probability of adoption of its proposals. This procedure effectively increases the power of both parties.

The Commission’s Environmental Directorate and the European Parliament’s Environmental Committee clearly try to influence and enlist the support of non-governmental (NGO) actors and others so as to gain political leverage within EU

institutions and credibility within Member States. This is because environmental policy is generally dependent on fairly direct public support, whereas established institutions get their support from economic interest groups. On the other hand, environmentally progressive Member States regards the Environment DG as an ally against “unwilling” DGs and Member States. The “green” Member States often seek to support the Environment DG rather than influence it (Lieverink & Andersen 1998b, 264).

(3) *Informational dependency.* As a mostly technical issue area, environmental policy demands high levels of expertise. This forces the EU actors to look for other players and to extend networks beyond the EU structure so as to better pursue their environmental goals. (see Zito 1997, 14.) This is especially the case for the Commission. In environmental policy, ENGOs (environmental non-governmental organisations), industry lobbyists, and national governments are invited to contribute to proposals at an early stage. (Kronsell 1997, 156–161.) Various consultative and advisory groups not only allow the DG for the Environment to gain the needed experience and expertise but also enable the Commission to build political support or, at least, to make it easier to anticipate likely opposition by involving regional and national interests in the policy consultation process.

(4) *Financial dependency.* The Commission itself, the Council, and the EP ultimately depend on Member States for the funding of activities. In addition to being dependent on the budget of the Union, the Commission (including the Environment DG) depends on national input as a source of expertise and specialists. These positions are financed by the Member States and it is up to the individual Member States to decide how many and which type of experts they want to finance. On the other hand, ENGOs are highly dependent on financing from the Commission. The only exception is Greenpeace, whose philosophy is to remain financially independent of any political bodies. (Kronsell 1997, 157).

With regard to their degree of integration, policy networks range from closed and closely-knit policy communities with limited and stable participation, to open issue networks which include a broader range of groups such as producer interests, technical experts, ENGOs and economic interests from other policy sectors. (Smith 1993, 7; Sairinen 2000.) Issue networks also involve more occasional, variable contacts and the goals and patterns of interaction tend to fluctuate as the actors within the network change.

Power within the close policy communities is based on mutual dependency, not on a zero-sum game. This means that all actors enhance their power and influence through their membership; thus, governments and all groups have an incentive to build networks. Open issue networks are constituted of unstable relationships; there is a greater likelihood of somebody losing out in the process. Policy communities, on the other hand, have a relatively clear set of rules which network actors are expected to follow. In other words, issue networks have a weaker cohesion. (Zito & Egan 1998, 97–98)

EU environmental policy networks tend to resemble “issue networks” rather than “policy communities” because policy communities have restricted access. The principal reason for this is that environmental policy is by its very nature cross-sectoral and is increasingly being integrated into other sector policy areas. Thus, environmental policy networks involve a large number of actors; this leads to more conflict than consensus. (Porter 1997, 85). Furthermore, EU environmental policy is not targeted by a single network but rather by different clusters of networks – depending on the issue at hand. Therefore, the stability and structure of the networks vary considerably (Andersen & Liefferink 1997, 18).

Table 2. Summary of Network Characteristics.

Network Dimensions	Policy Community	Issue Network
Membership	A limited number of actors from a restricted range of interests.	Larger number of actors from a wider range of interests.
Stability	Frequent interaction; a strong continuity of expectations among the network.	Interaction fluctuates in frequency and intensity.
Cohesion	All actors share a strong consensus on policy aims, values and tools. Shared expert knowledge more likely to bind actors.	Some agreement possible but conflict more likely. Shared ideas and knowledge is less likely.
Resources	Strong mutual resource dependency. Hierarchical relationships.	Uneven limited resource presence.
Power	Balance of power exists, with actors taking a positive-sum approach to interaction.	Unequal powers, actors tend to competitive, zero-sum behaviour.
Institutional linkages	Likely to be more closely to the key EU institutions.	Network members are likely to have more variable contact and influence over the EU institutions.

(Revised model from Rhodes & Marsh 1992, 13–15 and Zito & Egan 1998, 100)

Pamela and Ian Barnes (2000, 64) distinguish between specific policies (issue networks) and shared common values within a small group that has a stable membership (policy communities). They argue that the latter is formed by a group of states that have adopted more stringent national standards than required by the EU and therefore exhibit the characteristic form of a policy community through their commitment to their own standard. Policy communities are rather stable, whereas the issue networks disband quickly once the issue has been dealt with (see also Chapter 2.6).

It must be noted, however, that a particular environmental issue can often be processed within the relatively closed decision-making system. Environmental issue networks are not necessarily “open”; instead, they are often relatively closed policy communities, especially when dealing with questions that can be solved by purely technical means. Such questions require the kind of expertise that precludes outsiders from taking part in the decision-making process. For instance, many NGOs, although they have the right to participate in the process, have in practice been excluded because of their lack of relevant knowledge and contacts. The general public is usually poorly informed of such issues because the media are unable to turn technicalities into interesting stories. On the other hand, the impact of middle-level civil servants and experts on decision-making can be more important than the influence of democratically-elected politicians. Consequently, it is the nature of the problem that dictates whether it gets dealt with by a policy community or by open issue networks. The distinctive nature of environmental issues will be analysed in Chapter 4.3.

2.3 Regulation Rivalry Between the Member States

During the first two decades, EU environmental policy aimed primarily at harmonising different national legislations. The chain of influence was simple. The position of Member States in the Council was determined by their existing regulations and their economic interest in removing obstacles within the internal market and in obtaining a harmonised standard similar to their own (Lévêque 1996, 21). Occasionally, the harmonising of legislation caused major economic conflicts but a large proportion of EU environmental regulation involved more or less routine work in harmonising standards.

Regulation competition has changed drastically from those days. The chain of influence is nowadays more complex, as in most cases the formulation of new environmental regulations takes place reciprocally at the European and national levels. By preparing their own regulations in advance, Member States are able to position themselves better at the European level and may pre-empt future European legislation. Likewise, intention and first reflections on regulation proposals within the Commission may trigger and speed up the national regulation formulation process. (Lévêque 1996, 21.)

Regulation competition concerns not only the agenda of the problems to be dealt with but also the agendas dealing with the basic regulatory philosophy and the policy instruments to be applied. Each nation has a distinct regulatory style but limitations of the “command and control” instruments have generally been acknowledged. The general trend in regulation is moving towards more flexible and effective policy instruments. This regulatory reform has the effect of accelerating regulation competition. Countries that have already developed new instruments, such as environmental taxes or voluntary agreements, are more likely capable of directing development at the Community level into the direction of their domestic legislation. Consequently, those countries have the advantage of being the first mover. For instance, a national carbon-energy tax has been introduced in many Member States. In countries where there are no such taxes, they have to adapt their economies to the new situation sooner or later, even though other Member States might have already done so years ago. Thus, regulation competition among Member States takes place long before negotiations are initiated in the Council (See also Andersen & Liefferink 1997, 13).

2.4 Member States Opportunities and Obstacles to Influencing

Formally, individual Member States function within the structure of the Council of Ministers composed of representatives from the Member States articulating different national interests. From this perspective, power has not shifted away from autonomous countries, even though ministers do wield power together with their foreign colleagues in Brussels. Member States are not – contrary to public opinion – powerless victims of decisions made in Brussels. In other words, if bad decisions are made within the Council, it is, in fact, the national ministers who are responsible for making those decisions (Wiberg 1998, 110).

Although, in the end, ministers are responsible for all decisions, the greater part of negotiations takes place at the bureaucratic level of the EU. Easy, technical points of the proposals are solved as soon as possible at a low level; this means that ministers make decisions pertaining only to a proposal’s political aspects. According to the Council’s rules of procedure, the Committee of Permanent Representatives (Coreper) prepares its decisions. For the Coreper, environmental matters are prepared by the working party, members of which are so-called environmental

attachés of the permanent representations. This group consists mostly of diplomats or environmental civil servants. The working party includes domestic experts who provide support to the attaché on matters related to their expertise. Some matters, such as those involving climate policy, are prepared in the so-called ad hoc groups, which present their proposals directly to the Coreper.

For 1994, Martin Westlake (1995, 320) counted 2,580 meetings of Council working parties compared to 125 meetings of the Council and 117 meetings of the Coreper. Apart from the quantitative aspects, the qualitative importance of the national civil servants in the decision-making process becomes apparent when we look at the decision-making procedures in the Council. Council agendas are split into two sections: "A" points, already substantively agreed upon by officials and which are then endorsed by the ministers, and "B" points which remain to be negotiated by the ministers. Detailed evidence is missing but hearsay tells us that around 85–90 % of business is transacted by ministers as A Points, approximately 70 % having in effect been settled at the working party level and another 15–20 % by the Coreper. This leaves about 10–15 % to ministers for substantive discussion as "B" points (Hayes-Renshaw & Wallace 1997, 40).

In the Council of Ministers, Member States may be confronted with obstacles that do not exist in traditional intergovernmental bodies. The greatest obstacle for the Member States in seeking to influence the European agenda is the fact that the Commission has the exclusive right of initiative. Member States can initiate only non-legislative proposals, such as proposals for resolutions or Council conclusions, but then these are not binding. Furthermore, once the Commission has produced a proposal, it is up to the Council Presidency to decide when it will be dealt with. The prerogative of the Presidency to set the Council's priorities for its half-year term further limits the influence of Member States on the Council's agenda. (Pellegrom, 1997, 40–41.)

Another type of obstacle is a risk of the "Europeanisation" of civil servants, who are often responsible in fact for the actual decision-making. The multilevel interaction between civil servants from national and international administrations has thus reinforced a trend towards specific ways of sharing or fusing powers between bureaucrats and politicians. On the other hand, another possible way of interpreting the Europeanisation of national administrations is that it has led to the increasing nationalisation of the European Commission (Demmke 1997a, 7).

Although there are obstacles to influencing in the Council of Ministers, this is compensated for by the fact that the EU decision-making procedure offers a wide range of formal and informal channels through which important contributions can be made. The most important channel is direct contact with the Commission. Contrary to common belief, the Commission is not a closed institution but, rather, a very open one, as it is very dependent on outside input, such as contributions from Member States and expertise from interest groups (Kronsell 1997, 151). The Commission is therefore delegating more and more of its tasks to independent agencies, moving rapidly away from centralised command and control methods (Demmke 1997a, 6).

As the initiator of all EU legislation, governments lobby the Commission just as Member State governments themselves are lobbied by private sector interests (Spance 1995, 354). Christoph Demmke (1997a, 9) estimates that up to 95 % of initiatives are proposed by national administrations or interest groups. The technical units of the Commission gather the initiatives and decide whether or not to form a proposal. Thus, good relations with the Commission are of crucial importance, particularly for Member States attempting to push forward a policy field. For Finland, as for the other new Member States, the building of such relations is one of the highest priorities. (Lieverink & Andersen 1998b, 264.) The three most common ways for Member States to exert influence on Commission's policy are as follows (See also Liefferink & Andersen (1998b, 264–266) and Sandra Pellegrom (1997, 40–52):

(1) *Contacts at the expert level.* In many environmental sectors, the Commission has set up informal expert working groups, which for an active Member State provide an excellent opportunity to direct a new policy. Experts convened to Commission meeting do not officially represent their countries but act specifically in their role as experts. They comment on the technical aspects of the proposal but are also expected to give a first idea of the political support that may be expected later in the Council. Usually the experts come from the relevant ministries or related government agencies.

For small Member States, such as Finland, the expert working groups are also important because all such experts have equal status. In the Council, Finland has three votes out of 87 but, in the working groups, Finnish experts are on an equal footing with their German or British counterparts, for example. This offers many opportunities to such experts for effecting change, provided they enjoy their own country's support.

(2) *"Strategic employment" of nationals in Brussels.* Another method for Member States to have an impact at an early stage is to penetrate the Commission directly, i.e. to place personnel in strategic positions in the Commission. For this purpose, the system called national experts is very useful. (Liefferink & Andersen 1998b, 265.) National experts, funded by the Member States themselves, work in DGs for a three-year term. It is up to the individual Member States to decide how many and what type of specialists they want to finance. Thus, if a Member State's government is interested in furthering some EU environmental policy or some particular environmental issue, it is possible to assist the DG for the Environment by financing such expertise. (Kronsell 1997, 157.) All Member States make use of this by sending specialists in prioritised fields to the Commission.

Formally, the experts speak only for themselves. However, they are expected to provide the Commission with information on their national situation and problems and thereby also to evaluate the national political success of proposals. It must be added that experts can take the initiative when it comes to proposals – their input is not restricted to post-proposal work only. (Liefferink and Andersen 1998b.) For expert-initiated proposals to go through, a government must be persistent and ambitious in seeking to convince other Member States of their usefulness (Dahl 1997, 70).

Influencing the selection of regular EU personnel is more complicated, as this depends more on vacancies and other factors beyond the control of Member State governments. However, since such appointments are politically backed by the national capital, a Member State is in a good position to influence Commission decision. New Member States, including Finland, are always at a disadvantage, as it takes several years for them to be represented at all echelons of the Commission bureaucracy. (Kronsell 1997; Liefferink & Andersen 1998b.)

National networks within the Commission – consisting of both permanent and temporary staff – can be very important. They can both function as a basis of lobbying for concrete issues inside the Commission and helping in spreading certain ideas on environmental problems and policies. (Liefferink & Andersen 1998b.) A nation's "own" Commissioner can also be part of the national network. Although the Commissioners are formally required to work independently of their national government, it has become an accepted practice for them to have close contacts with their home capital and occasionally help their own country.

The nationality of the Environmental Commissioner can also determine whether the views of the environmentally progressive countries are prioritised in environmental policy. (Pellegrom 1997, 49.)

(3) *Informal contacts with the Commission.* Besides using nationals within the Commission, governments can also develop informal contacts with the Commission itself. Several Member States, especially the progressive ones, have discovered the importance of close and continuous contacts with DG for the Environment to

familiarise it with their ideas. (Pellegroni, 1997, 50.) The EU is generally more open to suggestions than are national systems, partly because of the relative lack of institutionalisation of the European system (Peters 1994, 11). In addition to informal discussions, Member States can formulate preliminary policy proposals and position papers. This includes written statements ranging from suggestions or designs for specific policy measures to general strategic memoranda. (Lieverink & Andersen 1998b).

The extent to which national governments manage to make an input at this early stage of proposal development depends largely on the awareness and capacity of the national environmental administrations for sending of their experts to these consultation meetings. The Commission will be more open to national suggestions if the expert is well informed of the national situation and has a clear idea of what changes would be desirable. (Pellegroni, 1997, 41.)

Another point worth mentioning concerns the informal contacts of Member States with their “own” ministers in the European Parliament, although cultivating contacts with MEPs is hardly regarded as a top priority. Before the European Parliament begins to review proposals, the Foreign Ministries can distribute memos to the national MEPs informing them of the present national position. MEPs are not formally bound in any way to national instructions but, in practice, they follow the national position more often than their Europe-wide party lines. Contacts are not always initiated by the Member States themselves. MEPs often seek information or assistance from their respective capitals or Permanent Representations. According to Liefferink and Anderssen (1998b, 266), Finland sends its MEPs briefing notes on environmental matters on a more or less regular basis.

The Council Presidency offers a Member State an opportunity for promoting or obstructing European environmental protection policy. The principal form of wielding Presidential power in the Council consists of deciding which matters are dealt with during the Presidency. Environmental matters may be stressed on the agenda or they may be postponed. The presiding country can also impose its priorities or preferences over Commission proposals and promote its main political concerns by means of Council conclusions or resolutions.

The power of the President must, however, not be exaggerated. The presiding country is able to place on the agenda only those issues that the Commission has already proposed. A considerable proportion of the questions is passed on from previous Presidencies and effective action is limited by its six-month term. It is also considered improper for the presiding country to use its power to advance domestic interests – at least not too prominently – but to treat every Member State’s interests fairly. This is the reason for that no member state cannot carry out aggressive environmental policy as a President of the EU at the expense of the common interest.

Member States can also influence the position of environmental issues in the Union policy in the long run through the Intergovernmental Conference (IGC) and the European Council. The European Council, consisting of Prime Ministers and the President of the Commission, meets at least twice a year to determine the guidelines of Union policy. In the Intergovernmental Conference, the Member States can change the Treaty of the Union. The latest Conference accepted the so-called Amsterdam Treaty in 1997.

As mentioned above, the official tasks of Member States do not end at this point, as the decisions must also be implemented on the national level. The implementation of decisions will be examined in more detail in Section 2.8.

2.5 Voting in the Council

Finland has three votes out of 87 in the Council. In some environmental issues, unanimity is required, in which case Finland automatically has a veto. However,

qualified majority voting (QMV) is the general rule in environmental policy, which means that 62 votes out of 87 are required for a decision and 26 out of 87 for a blocking minority. (Pellegrom 1997, 40–45.)

In practise, voting is very rarely used in the Council (see table 3). As Weiler (1991) points out, more important than voting itself, however, is the “shadow of a vote”, or perhaps “the shadow of a blocking minority”, as would be the case here. In other words, although actual voting is an exception, the votes are calculated, or at least kept in mind, throughout the bargaining process. However, even with the introduction of QMV, the search for consensus has remained a major feature of EU decision-making (Pellegrom 1997, 45). This also applies to environmental policy where decisions are more often made without taking a vote than is the case in other policy sectors (where the decision rule is qualified voting, as illustrated in the table below⁴).

Table 3: Negative votes and abstentions by policy sector 1995–1998. (The total number of decisions is 1120, the figures in brackets show the number of decisions in the policy sector. The negative vote or abstention has occurred if one or more Member States have voted negatively/abstained.)

Policy Sector	Percent of negative votes	Percent of abstentions	Percent of unanimous decisions
Agriculture (298)	28 %	4 %	69 %
Internal markets (112)	21 %	9 %	70 %
Transport (45)	18 %	9 %	70 %
Public Health (13)	8 %	15 %	77 %
Fisheries (180)	12 %	4 %	84 %
Social Policy (29)	10 %	7 %	83 %
Environment (37)	11 %	3 %	86 %
Research (10)	0 %	10 %	90 %
Common commercial policy (181)	1 %	0 %	99 %
Others (219)	14 %	6 %	81 %

Why is voting so rarely resorted to in EU politics, as opposed to national politics? Mattila and Lane (2000) offer five explanations for the phenomenon of “overused” unanimous decision-making. Firstly, Member States are well aware of each other’s policy preferences and how important particular decisions are to them. In national legislature, it is impossible to know each other’s policy positions and their saliency rankings, as there are hundreds of MPs with varying preferences. In the Council, there are only 15 players and communication between them is easy. Moreover, extensive use of preparatory bodies increases mutual information. Secondly, vote trading agreements made at the preparatory level are in practise binding because deliberately misleading behaviour may lead to penalties imposed by other participants. In the long run, this might outweigh any gains received from brokering agreements. Thirdly, there is no government-versus-opposition arrangement or party discipline. Fourthly, most of the decisions made in the EU may not have the same importance to all Member States. Fifthly, there is no stable qualified majority coalition of Member States who share preferences on most issues.

It must be noted, however, that Member States can also defend their national interests in other ways than by voting or by the shadow of the vote. The logic of EU decision-making is such that it is advantageous to Member States to look after their

⁴Between 1993–1995, up to four decisions out of nine were taken through negative votes. As a result, Sandra Pellegrom (1997, 45) concludes that there is more actual voting in environmental issues than in other areas. Pellegrom assumes that this is generally due to there being no option but to choose between two alternatives.

own interests because giving up an interest is not compensated in any way. (Lampinen & Räsänen 1998, 129.) However, Member States must relinquish some of their objectives in order to reach a compromise. Therefore, it is to the advantage of the Member States to present more reservations than necessary, especially in the early stage of the process. Reservations are partly political playing cards. When a Member State gives up additional reservations, some other State may back down from its hard-line position and make a concession as well. Quite often a Member State removes all its reservations if its most prominent demand is accepted. Therefore, the number of reservations does not give a realistic picture of how contradictory an issue on the agenda may be.

It must be noted that in Council negotiations, no minister has a greater bargaining power over his/her counterparts. Most ministers have equal status and they have very close mutual relationships. Thus, the Environment Council forms almost a “green club” in the political and diplomatic sense. (Sherrington 2000, 115.) However, this does not mean that agreement is reached easily. As a rule, the achievement of a compromise on environmental proposals between Member States has been a conflictual and laborious process (e.g. Lévêque 1996, 21).

On average, consensus is reached at the working party level in the environmental policy sector more rarely than in other policy sectors. The difficulty of environmental questions gives a more accurate picture than do voting statistics. This is somewhat paradoxical since environmental policy is regarded as an easy policy because of its image as being “soft”. The number of difficult political questions in environmental issues that must be decided by the Coreper is greater than in other policy areas. Similarly, the number of environmental issues that remain unresolved after the Coreper process is greater than in other fields.

This is due to the fact that environmental issues rarely concern only the ME. Even relatively technical directive proposals often have economic consequences that the other ministries must take into consideration. Moreover, environmental decisions have far-reaching consequences and therefore they cannot be taken at the lower level. For instance, far-reaching issues in climate policy are without exception moved to the Coreper and the Council of Environmental Ministers. Consequently, national coordination is frequently needed. Sometimes progress is slow and careful if a proposal takes new and unexpected turns.

2.6 Alliances

David Spence (1995, 380) divides alliances in the Council into two categories: long-term alliances and tactical coalitions. In the former case, the Member States revolve around several key long-term interest groupings. The groupings can be geographical (South-North), interest-based (farmers, industrialists), or based simply on the size of the states or their leaning, be it liberal or protectionist, etc. Such “objective” long-term alliances are of a different order than tactical coalitions, which only concern minor issues, such as some technicalities, and which therefore do not have an impact on ongoing bilateral relations between the Member States. Long-term alliances certainly vary less from issue to issue than do tactical coalitions.

Some EU Member States are considered much more environmentally progressive than others, both in terms of their domestic policies and their involvement in EU policy developments. Thus, it is natural that Member States seek to build alliances with each other, something that the qualified majority voting system seems to encourage. Alliances may be pro-environmentalist or anti-environmentalist. Are the alliances in environmental issues basically long-term coalitions or tactical coalitions? Our argument is that this depends on the type of the environmental question at issue. One might assume that coalitions between forerunner states in the case of difficult political issues would be more stable – or at

least more probable – than in cases involving purely technical issues, because the diversity of positions regarding technical issues does not damage the formation of a common front when the matter is a crucial environmental question. Thus, the formation of coalitions in the case of primarily technical issues depends first and foremost on how Member States are economically affected by the proposal in question.

Coalitions and links, bridges between national boundaries, are formed through the representatives of the Coreper. Environmental attachés, particularly those of the forerunner countries, meet regularly, but usually informally, to discuss strategy and coalition building in this respect. Coalitions must be formed between states on particular issues in order for initiatives to get accepted as Community legislation. (Kronsell 1997, 170–171.) Alliances can be formed at different levels as well: within the working parties, among the permanent representations, and at the ministerial level.

Which countries can be assumed to be included in environmental policy coalitions? Andersen and Liefferink (1998b) place the newest Member States (Sweden, Finland and Austria) in the same category with the traditional forerunner Member States of Germany, the Netherlands and Denmark. In addition to forerunners (environmentalists), Katharina Holzinger (1997, 69–70) classifies countries into “hesitants” (anti-environmentalists) and “in-betweens”. The United Kingdom has always been the leader of the hesitants and Ireland generally votes with the UK. Spain, Portugal and, to a lesser extent, Greece are also included in the hesitant coalition. France and Italy cannot be characterised as either hesitants or forerunners. The votes in the Council are divided between the alliances developed by Holzinger in the following way.

Table 4. The distribution of votes in the Council by bloc.

Forerunners		In-betweens		Hesitants	
Country	Votes	Country	Votes	Country	Votes
Denmark	3	Belgium	5	The Great Britain	10
Sweden	4	Luxembourg	2	Ireland	3
The Netherlands	5	France	10	Greece	5
Finland	3	Italy	10	Spain	8
Germany	10			Portugal	5
Austria	4				
Total	29		27		31

A certain balance exists between the alliances because both the forerunners and the hesitants have sufficient votes to block decisions being made in the Council. Before the last expansion on the Union, the forerunners did not have enough votes to form a blocking minority, that is, to prevent loosening of environmental standards. The immediate consequence of the expansion was that, in the case of mutual agreement, the six forerunner States were able to control the blocking minority. The forerunners are now able to prevent harmonisation at a level that they deem too lax as well as preventing a possible rolling back of standards. This was one reason why the Mediterranean states, Spain, Portugal and Greece, saw the membership of the Nordic States and Austria as a “threat”. It must be kept in mind, however, that more progressive environmental objectives also require acceptance by the hesitants.

On the other hand, the formation of alliances can also be interpreted from a different angle. Ute Collier and Jonathan Golub (1997) divide Member States by using the metaphors “Leaders of the Pack” (Germany and the Netherlands), the “Ambiva-

lent Countries" (Britain and France) and "Laggards" (Italy, Greece, Spain, Portugal and Ireland). Luxembourg, Denmark and the new Member States were excluded from the analysis. It is interesting that the UK, although it has often been called the "dirty man" of Europe, was not included in the Laggards. According to Collier and Golub, the UK has, in some cases, taken the lead in European environmental policy with its domestic environmental protection also strengthening in the 1990s. In spite of the fact that the so-called hesitants are less eager to develop European environmental legislation, this does not necessarily mean that they would be difficult partners to negotiate with. Many South-European countries have no environmental legislation that they would want to transfer to the EU level. This facilitates the actual negotiating situation.

However, how relevant are forerunner alliances in EU environmental policy in general? According to A. Sbragia (1996; see also Jordan 1998), the most important political division in the environmental field is "green" (forerunners) vs. "brown" (laggards or hesitants), rather than any other type of coalition. Sbragia believes that the competitive dynamics between leader countries, such as Germany, and less environmentally progressive countries, such as Spain, is the main engine of EU environmental policy. On the other hand, political heritage and background, regulation style, and general attitudes towards EU integration vary greatly among the forerunner states, which makes the formation of stable alliances exceptional, even in cases of High Profile Environmental Issues (HPEI). Even if substantive interests among the countries involved are more or less similar, differences regarding the strategic approach and the willingness to face confrontation and conflict in Brussels can easily nip a potential coalition in the bud (Lieverink & Andersen 1997, 30–31). Furthermore, permanent alliances remain the exception because of the simple fact that such alliances may antagonise other Member States (Andersen & Liefferink 1997, 15). Naturally, the same applies to coalition-building among the hesitants as well. Consequently, all coalitions should be seen as abstractions and the formation of environmental forerunner coalitions is by no means an obvious or self-evident process.

2.7 Green Strategies in EU Environmental Policy

The environmentally progressive forerunners have different strategies for attaining better environmental performance. According to Andersen and Liefferink (1997; Liefferink & Andersen 1998b), two basic distinctions can be made between the different types of strategy used for the articulation of "green" positions (Table 5). On the one hand, there are strategies based primarily on national politics. These can be called "forerunner" strategies and they range from simply defending existing national arrangements (i.e. presenting them actively as "examples" to others) to implementing unilateral measures as a way of provoking the EU. Strategies at the other end of the spectrum can be referred to as constructive "pusher" strategies. These may involve, for example, putting issues on the Council agenda or lobbying the European Parliament.

Table 5. Continuum of pushers and forerunners in EU Environmental policy.

Forerunner	Pusher-by-example	Pusher
Focus on strict national standards.	Strict national standards as an strategical tool.	Focus on common policies.
Freedom for national policy development.	Freedom for national policy development.	Willingness to compromise.
Defensive approach in the EU negotiations.	Pressure on partners to follow national examples.	Constructive approach in the EU negotiations.

The ideal type of forerunner country aims at maximising the freedom for developing and implementing its own national policies. This is possible, to a certain extent, because, in contrast to the internal market policy area where the EU has exclusive competence, there is shared competence between the EU and the Member States in the development of environmental policy, even though the environmental policy-making capacity at national levels has been reduced since the late 1980s.

EU Member States can use different legal approaches in order to maintain or develop more stringent environmental regulations. They can invoke exemption from general internal market rules on the grounds of Article 30–36; they can invoke exemption from EU-harmonised regulation on the basis of environmental guarantee; they can work for higher common standards at EU level using the safeguard clause; or they can work for differentiated standards within the internal market area. (Dahl 1997, 68–78.) International and EU policies are welcome insofar as they help to achieve domestic policy goals, for example, by reducing pollution from abroad. However, they should not restrict the sovereign right of a country to design its own policies and to maintain its own stricter standards. In the EU context, this implies a rather defensive attitude and a preference for minimum harmonisation and other constructions that leave room for alternative options and exemptions.

Pusher countries, in contrast, emphasise the importance of international cooperation and cooperation within the EU. They work from the conviction that their interests are, in the end, better served by common policies at a somewhat lower level than by unilateral measures, which may be optimal from a domestic point of view but which do not give any certainty as to what the neighbouring countries are going to do. Therefore, the pushers focus on political ways to influence the process at the negotiation table. Correct and timely implementation of EU directives and other commitments is considered important, not least with a view to the credibility of the country's international efforts. Partly for the same reason, high standards are maintained at the domestic level but are kept basically within the limits of EU and international law only insofar as it does not obstruct the consensus-seeking process.

Moreover, some countries may seek to combine the two approaches by using unilateral measures as a tool to provoke international action. In the centre of the spectrum, therefore, we find what may be termed "pushers by example". In this case, the domestic level is seen as a kind of experimental field for innovations in environmental policy. But, even if an experiment turns out to be successful, others will not always follow the example automatically. Thus, a country with an ambition to set an example has to develop a more aggressive international strategy than a typical pusher.

One important aspect of the "pusher" role is the extent to which Member States seek to build alliances. Normally alliances are created by Member States working more or less along the same lines to promote similar concepts and principles. It is of particular interest here that alliance-building in Brussels can be combined with unilateral action, i.e. forming a club that collectively sets an example, while at the same time pushing for joint action at the EU level. Such "club strategy" has been used quite often in international negotiations. The formation of alliances seems to depend a great deal on whether there is coherence in the domestic links to EU environmental policy. The coherence of these links depends not only on bold statements made by EU negotiators but also on the actual domestic political background.

Agnete Dahl (1997, 70–71) classifies green strategies rather similarly to Andersen and Liefferink. She specifies four types of basic strategies that define national environmental policy toward the EU. The first strategy consists of influencing the premises for the EU decision-making process while the second strategy consists of seeking political alliances with other Member States. These strategies are based on a cooperative approach, the main objective being to reach agreement at the EU level based on political compromises. The third strategy is to threaten to introduce unilateral action. The final strategy is seeking exemption from the EU rules. These strategies are to

a large extent confrontational, based on political action at the national level. Denmark especially used frequent confrontational strategies in the 1990s, while the Netherlands has generally been inclined towards finding European-wide solutions.

However, we must bear in mind that the improvement of environmental regulation is not the only incentive to the unilateral introduction of environmental measures. The Member State that moves first will also learn first and its proposal is likely to strongly influence the Commission. In turn, such pre-emption may secure competitive advantage for a national industry. Several Member States might compete to pre-empt future environmental regulation, especially when the regulated area is completely new and thus the Commission and/or the Member States have no previous experience in the matter. Consequently, confrontational strategies might cause a breach between even the green Member States.

2.8 Implementation

Failure to put the requirements of EU directives into effect has been a serious and continuous problem in the EU policy-making system, especially in the environmental area. There are only a few areas of Community law in which the difference between the written law and practise is as great in the case of Community environment legislation (Demmke 1997b, 42). Indeed, at the beginning of the 1990s, the number of suspected infringements of environmental directives came second only to those relating to the internal market. Many environmental directives include, to a varying degree, requirements that governments must report regularly to the Commission on how they are implementing the legislation. However, this requirement has often been followed only infrequently, incompletely, or not at all. (Lévêque 1996, 18.) In 1998, the Commission referred 15 infringements of environmental law by Member States to the Court of Justice.

What then are the reasons for incomplete implementation of environmental directives? The causes of the delay in transposing directives lie in internal institutional and administrative structure of the Member States, in transposal techniques, or in specific difficulties in particularly sensitive areas, such as chemicals and biotechnology. Another reason can be a lack of coordination between the representatives of the Member States who negotiate the directives and the bodies in the Member States that will be responsible for implementing them.

Christopher Demmke (1997b, 42–53) draws a distinction between (1) transposition problems with regard to implementation into regional law, (2) transposition problems because of the poor quality of the Community law act, and (3) implementation shortfalls because of the innovative nature of a legal act.

The first problem especially concerns the three federal states (Germany, Belgium, Austria) and quasi-federal states (Italy and Spain) of the EU. In these countries, local autonomy is at its highest level (Collins & Earnshaw 1993, 217). Implementation of environmental laws is especially difficult for them because environmental legislation is more decentralised than many other areas of policy. For instance, in Belgium, the powers to regulate the environment are devolved to the regional governments that have to implement EU legislation separately. Similar problems occur in Germany, where 16 pieces of legislation may be necessary to put one EU directive into place, one in each of the Länder (Barnes & Barnes 2000, 106).

The second problem refers to fact that EU environmental legislation is still basically regulatory and as such over-regulated, inflexible, out-of-date and – because of its poor quality – cannot be adequately enforced. EU directives are far more detailed than national laws, at least in Finland. With 15 legal systems today and 20 in the near future, there is a constantly growing problem of developing appropriate stringent standards that offer both sufficient environmental protection as well as adequate flexibility.

The third problem of implementation is that, in Member States where environmental regulation is still in its infancy, the transposition of an EU act requires completely new legal provisions because of its innovative nature. Conversely (particularly in Member States with a developed and complicated legal system), transposition poses a problem if a detailed, complex act relates to a field which is already highly regulated and which has to be integrated into that field.

In cases where national governments transpose EU legislation into their national legislation properly but do not establish the relevant authorities or systems to carry out the terms of the legislation, the policy will be unsuccessful. Even if the legislation is transposed and the systems established, the objectives of the policy may still not be met without an opportunity for the review, evaluation, and monitoring of progress. These measures are essential because they will identify problems such as unrealistic assumptions made in legislation, the impact of changes in technology on the subject of the legislation, or the frustrating of the policy's operation due to lack of funding. (Barnes & Barnes 2000, 98.)

2.9 Summing Up the Theoretical Section

In this section, we have gathered the key features of the theoretical background of the study. The central purpose of our study has not been to develop the theoretical viewpoints. The study is based on former theoretical concepts and research of EU (environmental) politics. We have analysed the former studies in a way that enables us to define the field of action of Member States both at national and EU levels. By action field, we refer to the groups and institutions that participate in policy making, interdependency between the actors, opportunities for influencing, strategies, division of work, and power relations.

The summary is presented in the form of 11 "policy features" on which the rest of the study is based. At the end of the next chapter, we shall focus on those features relating to Finland's policy. The purpose of policy features is to help lead the study on, and above all, to help us to answer the research questions presented in Chapter four. Furthermore, we hope that the policy feature list will make the argumentation clearer and help the reader to understand the entire range of viewpoints presented in this chapter.

(1) *Overlapping interests cause role problems*

In the complex decision-making system of the EU, supranational, functional and territorial interests often overlap. This is illustrated, for example, by the fact that the Finnish permanent staff in the Commission represents all these interests simultaneously. The role problem also concerns experts who are in the middle ground. In the context of political, bureaucratic, and personnel domain, are these experts private persons or are they the political messengers sent by their country's capital?

(2) *Member States can lobby and be objects of lobbying*

The official impact of Member States occurs in the decision-making and implementation phases. In the decision-making phase, interest groups seek to influence the position of the Member State. During the other stages of the policy process (agenda-setting, policy formulation, policy evaluation), Member States can use various opportunities for unofficial influence. Active Member States seek to make an impact at every stage of the policy process.

(3) The interdependency of actors is based on more than just legal agreement alone

The interdependency relationships between institutions and actors are based on legal, political, informational, and economic dependency. The Commission must also indicate that it is capable of doing the job better than can the Member States on their own. Just like the Commission's own inadequate resources, this opens up new avenues for the Member States to try to exert their own pressure. Member States can influence the Commission in the expert groups, through national personnel, and through direct personal contacts.

(4) Environmental policy networks can resemble "open issue networks" or "closed policy communities"

In the case of environmental issues, many actors are involved because of the cross-sectoral nature of environmental policy. In some environmental issues, hundreds of interests groups may attempt to influence the outcome. However, this does not happen with technical issues, which can be decided by a small circle of actors. The technicality of questions excludes anyone lacking the necessary expertise.

(5) National environmental legislation is made with a view to forthcoming progress in the EU

If they have anticipated common future legislation at the national level, Member States are able to direct both individual acts as well as the entire regulation philosophy in the direction they want. Because of the first-mover advantage, regulation competition begins far earlier than when issues are dealt with at the EU level.

(6) Member States have some obstacles when attempting to influence EU policy

The greatest obstacle to the Member States' opportunities for influencing European agenda is the fact that the Commission has the exclusive right of initiative. Another obstacle is a risk of the "Europeanisation" of civil servants, who in practice are responsible for a significant number of the decisions that are made in the EU.

(7) Member States are able to direct EU policy at every level of the policy process

Member States can exert an influence on the Commission's policy through expert groups, strategic employment, and informal contacts. The national MEPs can be sent information concerning a national position. Holding Presidency of the Council offers possibilities for accelerating environmental protection. Meetings of the Intergovernmental Conference can also be used to direct and influence long-term policy.

(8) More important than voting itself is the "shadow of the vote"

Nearly nine decisions out of ten are made unanimously and the tendency to seek consensus has remained a major feature of EU decision-making. Consequently, no far-reaching conclusions regarding the political line of individual Member States can be drawn on the basis of the scarcity of voting opportunities. The votes are, however, kept in mind throughout the bargaining process.

(9) Both the green and the brown bloc can form a qualified minority

The EU forerunner bloc is composed of Germany, the Netherlands, Austria and the Nordic countries. These countries are able to prevent a weakening of environmental

legislation or the implementation of reforms that they feel are not ambitious enough. There is certain balance between the abstract blocs because the brown/anti-environmentalist bloc (the UK, Spain, Greece, Portugal and Ireland) can also form a group sufficient to build up a qualified majority.

(10) Green strategies are different as well

Forerunner countries can also focus on defending higher environment protection levels nationally or they can aim at being an example for other Member States. They can bring pressure to bear on other Member States or aim at a compromise. They can choose a confrontational or a constructive green strategy. Member States can also vary their strategy depending on the nature of the issue.

(11) Political system and culture determine the ability to implement decisions

Inadequate implementation of decisions is one of the greatest problems in EU environmental policy. There are considerable differences between Member States in this respect. A Member State's ability to implement decisions depends above all on the character and culture of its political system.

Finnish Environmental Policy in the EU

3

3.1 Particularities of Finnish Political Heritage and Environmental Concerns

In this Chapter, we shall consider some special features of Finnish policy making in order to make Finland's role understandable in the context of supra/international environmental policy. Differences in national policy are the result of differences in the physical geography of the Member States, differences in resource endowment and economic activity, differences in priorities given to the allocation of resources for environmental protection, and differences in national values (Barnes & Barnes 2000, 5). Moreover, as with any other policy, environmental policy is also made in the same way as that of Finnish policy in general. (e.g. Sairinen 2000). For example, David Vogel (1983) has noted that countries tend to regulate pollution in much the same way as they regulate other policy sectors. On the other hand, it has to be kept in mind that the EU membership has changed the entire traditional national policy style in Finland. General environmental attitudes among the public, attitudes towards European integration, special environmental concerns, and political division are factors that determine the Finnish environmental policy style in the EU.

First of all, the physical environment and its challenges in Finland (and Sweden) are very different from those of the more southern Member States. The state of the environment in Finland is generally good thanks to low population density, advanced clean technologies, and the country's favourable geo-ecological location. However, the structure of the energy-intensive pulp and paper industry raises some specific problems. Emission levels of NO_x, SO₂ and CO₂ per capita, as well as per GNP, are slightly higher than the EU average. In spite of this, Finland still remains a net receiver of the most common air pollutants emitted by other EU countries. (Joas 1997, 120.) For Finland, the main question is whether the environmental policy actions of the EU are appropriate to the balancing of economic activity and environmental protection within the framework of the exceptional natural conditions and structure of the industry in this country.

Finland's most significant environmental concerns with respect to neighbouring countries are trans-boundary pollution and nuclear risks from Russia and the Baltic republics. The heavily polluted Baltic Sea has been the main focal point of Finland's international cooperation for a number of decades. High consequence risks – dilapidated nuclear power plants on the Kola Peninsula and nuclear-powered submarines sunk into the Barents Sea – were one motivation for the Finnish initiative of 1997 on the EU's Northern Dimension. Environmental risks from the EU to the south and the Russian border have increased dramatically in recent years because of the unstable political and economic situation in Russia (Sairinen et. al 1999, 62–78). The general goal of the Northern Dimension is to enhance security, stability, and sustainable development in the region through positive interdependency between Russia, the Baltic Sea states, and the EU.

The Finnish political system is based on a neo-corporatist contracting society, which means seeking consensus amongst relevant interest groups in significant macro-political issues such as economic, tax, income, and employment policy. Such contracts have been institutionalised as a part of the country's political culture. The defining feature of neo-corporatism is that the state confirms the representative

monopoly of the most significant interest groups. In other words, the state determines which groups are eligible to participate in actual decision-making and which ones are to be excluded. The system is also based on the principle of exchange: each party acquires some advantage through the contracts but, at the same time, commits itself to act under the rules of the contract. (Sairinen et al. 1999, 216.)

Corporatist contracting states use the “committee institution”, among other things, to resolve environmental problems. The relations between the controller and the polluters are primarily based on cooperation, aiming at a consensus on the objectives for and methods of pollution abatement. Many types of environmental committees were formed in the 1980s – e.g. the Sulphur Committees (1985 and 1991), the Nitrogen Committee (1988), and the Environmental Economy Committee (1993). The authorities, polluters, and NGOs broadly represented the committees. This neo-corporatist policy system, called “negotiated rule-making”, has been rather successful, even though it is more suitable for instruments based on administrative control (regulations and permit procedures) than the so-called “new instruments”, such as green taxes or voluntary agreements (See also Sairinen 2000.) Hence, Finland’s environmental policy instruments have generally put the emphasis on administrative regulation. But it must not be forgotten that Finland was the first country in the world to introduce a tax on carbon dioxide emissions although the motivation to develop environmental taxes has been more fiscal than environmental. (Määttä 1999).

The consensus becomes even more obvious in the parliamentary process concerning EU affairs. In reality, this means that EU affairs are not decided in accordance with the opposition vs. government battle lines. On the contrary, there is usually a steady unanimity at the national level even on questions that give rise to lively debate and contradictory opinions. Differing opinions usually arise only when some members of a parliamentary committee argue against EU membership itself. (Lampinen & Räsänen 1998, 129.)

The consensus indicates that traditional political lines are not nearly as important on EU issues as on national issues; sometimes the divisions seem to disappear completely. One other factor contributing to the consensus is that Finland’s (economic) national interests are usually clearer in the European context than at the national level. (Lampinen & Räsänen 1998, 129.) EU decision-making works according to the principle that it is to the advantage of every Member State to look after its own interests. Member States will not give up an interest without receiving some compensation. Consequently, the culture of negotiation in the EU is based on give-and-take or logrolling: compromises take place both within specific negotiation contexts (which is typical for technical negotiations at the specialist level) and between issues or Treaty revisions. On the other hand, there is a certain risk in what Duncan Liefferink (1996) calls the “negative negotiation spiral”. That is quite typical for environmental issues since the environment has no voice of its own. Consequently, compensation tends to take the form of further relaxation of requirements and lowering of costs, down to the level where the measures become insignificant.

According to Risto Lampinen, Olli Rehn and Petri Uusikylä (1998), whose study is based on interview material, forming a consensus is a typical feature of Finland’s EU policy. The researchers characterise Finland’s activity during the country’s first three years as a Member State as realistic in terms of its targets rather than as attempting to hold on to values simply as a matter of principle. In practice, this is seen as a tendency towards avoiding conflict. For example, apart from a few exceptions, Finland has not put to the vote issues that are known in advance to be lost causes. According to these researchers, this is a consequence of Finnish political atmosphere where there is not much need to demonstrate to the domestic public that Finland’s viewpoints have been defended strictly. Alliances have also been based on issues, not on countries. Hence, Finnish EU policy has been compromise-directed and arbitrating mainstream policy.

It is also important to take into consideration that an independent environmental administration was developed quite late in Finland when compared to most other Western European countries. The Finnish Ministry of the Environment was not established until 1983, after severe conflicts between differing environmental interests and ideologies (Sairinen 2000). This perhaps explains why the position of the Ministry of the Environment is weak compared to many other ministries. In Finland, environmental issues have been pushed to the government level with difficulty. The Netherlands, Sweden, and Denmark established their environmental ministries in the 1970s.

The Finnish Greens as a political party have an exceptionally influential standing compared with most other Member States. In the parliamentary elections of 1995, the Greens won nine seats out of 200 with a corresponding 6.5 % of the vote. After the elections, a broad-based "Rainbow Government" (Social Democrats, Conservatives, Left Alliance, Swedish Peoples Party, Greens) was formed. The Green League of Finland was the first green party in the world to enter government. The position of the Minister of the Environment and Development Cooperation went to Pekka Haavisto. The latest parliamentary elections were held in 1999 when the Green League won 11 seats (7.3 %). The Rainbow Government continued in office and the Greens kept the same ministry. This time, Satu Hassi, the party chairperson, was chosen to be the Environmental Minister.

3.2 Finland's Membership in the EU

Except for a couple of individual speeches, Finland's possible EU membership was not discussed at all prior to the collapse of socialism in Eastern Europe. In the bi-polar political world of the time, EU membership was not convenient for Finland. After the collapse of the Soviet Union, however, a lively debate on membership emerged. Finland submitted an application for membership only a couple of months after the Soviet Union fell apart⁵. Finland joined the European Union in 1995 after a referendum in which membership was supported by a slight (57 %) majority. Support of membership among the Finnish political and economic elite was much clearer than among the public. Membership was openly supported by all the right-wing parties, the most significant opposition party, the President, the trade unions, the industrial interest groups, and the key media.

As a member of the European Union, Finland is a small player by any measure. In 1998, Finland's GNP was approximately 1.5 % of the GNP of the entire Union. The same year, Finns made up about 1.4 % of the population of the EU. Finland has one Commissioner (5 %) out of 20. In the Council, Finland has three votes out of 87 and its voting power is proportionally the same. Together, Finland's 16 MEPs form a 2.5 % share of the EP's 626 members. (Raunio & Wiberg 2000, 11–12.) Furthermore, at least among the European public, Finland is not always considered to be even a member of the Union. In the spring of 1995, significantly less than a half (40 %) of all EU citizens knew that Finland had become a member (EBN 43).

In contrast to Sweden, environmental matters played only a minor role in the debate preceding the referendum in Finland. The debate focussed on Finland's security policy and the deep economic recession, both of which were linked to the collapse of the Soviet Union. (Lieverink & Andersen 1998b.) After Finland had submitted its application, environmental issues no longer played a crucial role during the membership negotiations. Of the individual policy sectors, agricultural policy was the most difficult. However, the fact that they were on the agenda at all during negotiations was unique in itself; that had not happened in the earlier negotiations between the Union and the UK, Denmark, Spain, Portugal, and Greece. During the

⁵ Finland applied for EU membership on March 18, 1992. The Soviet Union had collapsed in the preceding autumn.

early 1990s, and especially when the country was a participant in the European Economic Area agreement, Finland adapted its environmental legislation to meet the requirements of EU directives. This task was largely completed by the time Finland had become a member of the Union. (Joas 1997, 154; European Environment...1997; Bragge 1997, 86)

Membership both advanced and weakened Finnish environmental legislation. In some cases, Finland has tried to defend its national environmental standards higher than the EU ones. In the membership negotiations, Finland was granted certain derogations where its standards were higher than those stipulated by EU legislation. These derogations concerned, for instance, the labelling of pesticides and the sulphur content of diesel fuel. On the other hand, as a result of the accession, Finland's fertiliser tax had to be withdrawn and the country now has less freedom in the design of its carbon dioxide tax. (OECD 1997, 127, 166.)

The accession agreement allowed new Member States to keep their stricter standards for four years, under the assumption that during this period EU environmental regulations would undergo a review under which the level of protection might be brought up to the level existing in the new Member States. This goal was not fully realised during the transition period but the Commission took the position that no state had to reduce its environmental protection level because of membership in the Union. Unlike in the case of Sweden, there was no considerable difference of opinion between the Commission and Finland concerning special permits.

Several EU directives have had a considerable positive impact on Finnish environmental legislation. Directives which forced Finland to adopt stricter rules than had previously been in effect addressed the issues of urban waste water, nitrates, habitats, environmental impact assessment (EIA), and integrated pollution prevention and control. Many of these improvements would have not been politically possible without outside pressure from the EU (Sairinen 2000). Some of the air protection regulations (VOC Stage I and III (94/63/EC and 1999/13/EC) have been even considered to be unrealistically strict.

In many of those contradictory cases, Finland has tried to prove that the EU's environmental directive is incompatible with Finnish administrative system, unsuitable for Finland's northern conditions or even against (for instance, Water framework directive 2000/60/EC) Finland's constitution. Finland has also requested derogations so as to be able to use peat as an energy source. Another ongoing source of conflict is that from Finland's point of view some of the demands made by EU environmental directives such as the research obligations to be found in the water framework directive and air quality directive 96/60/EC as well as in the upcoming environmental noise directive, are considered to be too bureaucratic and unnecessary in the Finnish context. (Sairinen & Lindholm 2002, forthcoming.)

Clearly the most problematic area for Finland turned out to be the nature conservation. In this sector, EU directives are relatively strict. The implementation of the EU Natura 2000 network became a long-lasting nightmare for Finland's environmental administration. The first Natura proposal attracted more than 14,000 complaints. (Sairinen 2000). This is not the place for an exhaustive analysis of the reasons for the most serious environmental backlash during the 1990s in Finland; however, it is obvious that they increased the already-existing criticism among rural population against EU directives and the bureaucracy of the Union. On the other hand, support of the EU membership among the environmental groups, whose attitude towards European integration was usually negative, increased significantly as a result of the implementation of the Natura programme⁶. Finnish environmental

⁶The scepticism of environmental groups rightfully stems from their disgust of economic globalism, of which European integration is seen to be a good example. However, southern European environmental movements especially consider the EU to be a promoter of national environmental protection.

organisations openly admit that, without EU membership and the Natura programme, extending nature conservation in Finland would have been much slower.

Finally, what is the general attitude towards European integration among Finnish citizens and official policy makers? Although western European nations have been moving towards greater integration for some time, there has always been controversy over how far this should go. Maximalists, a group that includes the Commission, most members of the European Parliament, and the original Member States have tended to favour much closer cooperation, giving the EU greater responsibility in such sensitive areas as foreign and monetary policy. Minimalists, such as Britain and Denmark, on the other hand, have traditionally fought to preserve national autonomy in many areas and have preferred limiting integration to a much lower level of political cooperation. (Jordan 1998.)

Finland has generally been categorised, if not as a Maximalist, at least as a loyal member of the Union. Since the accession, the Finnish Government, in consensus with the main opposition parties, has clearly and coherently aimed at keeping the country in the centre of the Union. For example, Finland decided to be in the first wave of countries to join the EMU. The decision was made without a referendum, the lack of which caused severe criticism from those resisting EU integration, NGOs, and some intellectual groups. Although the official political line is to keep Finland in the vanguard of EU integration, public opinion regarding Finland's membership and integration in general has remained about the same since the first year of membership. In a poll conducted in 1997, 44 % of respondents supported membership, 27 % were neutral, and 26 % were opposed (EVA 1999). The sceptical and nonchalant attitude became clearer after the EU parliamentary elections in 1999, in which the turnout of voters was very low, only slightly over 30 %. It is interesting to note, however, that, according to 80 % of Finns, it is either very important or fairly important that Finland should advance environmental protection during its Presidency of the Union (EVA 1999).

3.3 Different Views on Finland's Role in Environmental Policy Making in the EU

Finland has often been described as an active agent in the field of international environmental policy. According to an OECD review (OECD 1997), Finland has actively supported the development of international environmental laws and agreements. It has also developed an elaborate network of cooperative regional activities to promote sustainable development and combat cross-border pollution. The derogations granted to Finland during EU membership negotiations are also an indication of fairly strict environmental standards when compared with most western European countries. Furthermore, as Andrew Jordan (1998) has assessed, had it not been for strong pressure from Finland and Sweden, environmental protection might have slipped entirely from the agenda of the Amsterdam Summit, considering that none of the "big three" states (France, Germany and the UK) listed the environment as a priority. Also Barnes & Barnes (2000, 85) emphasise the significance of the new Member States in the struggle to strengthen the status of environmental issues in the Treaty.

On the other hand, Andersen and Liefferink (1998b) point out that only Denmark and Austria could be seen as countries where the environment was perceived as one of the top priorities for the IGC. Finland and Sweden were far more reluctant. Sweden's reluctance was explained by its unwillingness to support further federalisation of the EU; Finnish reluctance was primarily due to the relatively low priority given to environmental policy as compared to other aspects of EU cooperation. Other critical views of Finnish environmental policy have also been voiced. According to the results of an extensive comparative research project ("The New Member States

and the Impact on EU Environmental Policy”), Finland has not been a pusher but rather a follower of the other environmental forerunners (European Environment... 1997; Andersen and Liefferink 1996). According to the project, policy makers in other countries do not generally regard Finland as very outspoken: “The country is either not explicitly mentioned as a ‘green’ Member State at all or it is bracketed together with Sweden with reference to a certain similarity regarding environmental conditions and economic structure. This may be related to Finland’s status in general as the most remote and least known of the three new Member States but also to its profile in the environmental field which does not stand out as boldly as that of its larger neighbour to the west”.

Although Finland has nearly always joined the other Nordic countries in international environmental policy issues, it has not been possible to identify many Finnish initiatives or proposals that would have set the agenda for international policy making. According to some assessments, environmental policy was hardly an issue in the debate before the referendum on EU membership, a debate that focussed on Finland’s security concerns and the economic recession, both of which were linked with the collapse in the East (Joas 1997; Arter 1995). Andersen and Liefferink (1997) have concluded that the lack of a prominent Finnish profile in international environmental policy can partly be explained by the relatively recent institutional consolidation of domestic environmental policies and the historically difficult relationship between Russia. The Finnish Ministry of the Environment was not established until 1983. Because foreign policy was an unusually sensitive issue, it was also necessary to be quite careful in the area of international environmental policy. “It is not likely that international initiatives regarding the ozone layer or air pollution would have provoked reactions in Moscow but the impression is rather that the general political climate in Finland was not favourable to such initiatives.” (Andersen & Liefferink 1997, 25.)

3.4 The Preparation and Coordination of EU Affairs in Finland

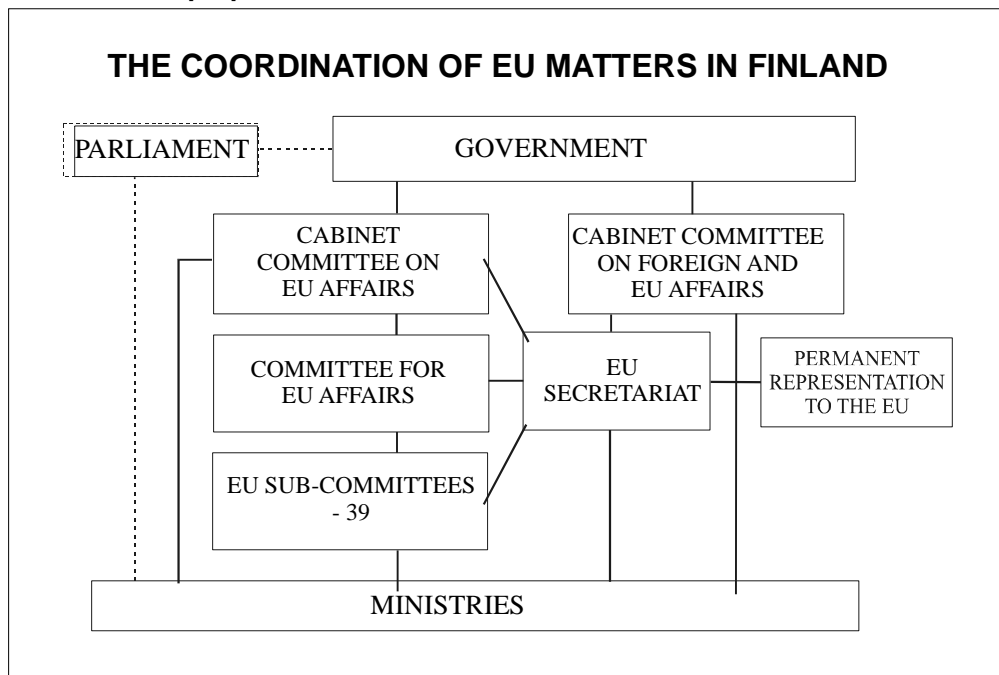
What is crucial is the ability of public administration to coordinate effectively between the potentially conflicting views of ministers and their officials and the various levels of government and the private sector likely to be affected by legislation. Governments must take a stand in Brussels that will be consistently supported by all officials and ministers and thus be an effective contribution to the EU policy process. (Spance 1995, 354.) For a nation-state to be able to effectively influence the EU’s environmental policy, it must have a national coordination system that links national level procedure with the EU structure.

Member States have many kinds of coordination systems. When comparing systems of coordination, factors usually considered are the degree of centralisation and the location of responsibility within the ministry system. The degree of centralisation refers to the level of independence ministries have in their decision-making powers when forming a national position. The location of responsibility refers to which ministry is eventually responsible for the determination of the national position. (Mattila 2000b, Wright 1996, Rehn 1998.)

The degree of centralisation in the preparation of EU affairs is clearly linked to the political system of Member States. If the political system and administration culture are centralised, so is leadership in EU affairs. For instance, preparation is highly centralised in France and in Great Britain and, to a lesser degree, in Finland. Preparation is especially decentralised in federal countries such as Germany. This is the reason Germany’s line within the Council has been regarded as unclear and unpredictable. (Mattila 2000b, 146–147.)

The unit responsible for coordinating EU affairs is variously placed in the office of the Prime Minister (the UK, France), in the Ministry of Foreign Affairs (Sweden and Denmark), or has been shared among several ministries (Germany and Belgium). (Mattila 2000b, 146–147; Hayes-Renshaw 1997, 239.) A centralised coordination system and the placement of the eventual preparatory bodies under the direct control of the Prime Minister are considered more effective than decentralised systems. In the former system, negotiators of the country are able to present its position as it really is and the system permits rapid reaction in any negotiations. In order to achieve their objectives, small countries such as Finland must pay particular attention to the effectiveness of national policy coordination requirements.

Table 6. The preparation and coordination of EU affairs in Finland.



(Source: Mattila 2000b, 140)

According to many studies (Mattila 2000b; Lampinen 1998; Valtiontilintarkastajat 1997), the Finnish system for preparation and coordination has consolidated its position and functions without any serious problem. The Finnish Cabinet Committee on European Union Affairs, led by the Prime Minister, decides on the far-reaching and politically important issues. A special assistant group whose task, among other things, is to inform government groups and to settle differences during the Intergovernmental Conferences assists the Cabinet Committee. The main task of the Government Secretariat for EU Affairs is to make sure that Finland has a common position in the Council and its subordinate organs. A Committee for EU Affairs decides on comprehensive and contradictory questions. In Brussels, Finland has a Permanent Representation that is responsible for coordination in the Coreper and the working parties. (Rehn 1998, 17–24; Lampinen & Uusikylä 1998, 27.)

Each ministry is responsible primarily for preparing issues related to its authority. When EU affairs appear which demand that Finland take a definite position, the relevant ministry formulates the economic, judicial, and political stances, thereby justifying Finland’s position. The ministry in charge presents the proposed position to the EU Sub-Committees under whose authority the issue comes. The Sub-Committee responsible for environmental questions is EU Sub-Committee 23. One of the most important tasks of the Sub-Committees is to involve civil servants from every ministry concerned by the matter in the preparation. The Sub-Committees can create large or restricted groupings. In the latter case, only civil

servants participate in the preparation. The large structure includes representatives from different interest groups as well. If the Sub-Committee has no objection, the ministry draws up a written statement that will be sent to the EU Permanent Representation via the Government Secretariat. (Lampinen & Uusikylä 1998, 26.)

The Finnish constitution requires the Government to furnish Parliament with information regarding the preparation of matters within the EU. The Parliament participates in the national preparation of EU affairs through its various Committees. Political statements of the Parliamentary Grand Committee regarding matters decided in the Union are prepared in the relevant Committee according to the subject matter. The statements of the Grand Committee are not legally binding on the Government. The statements are, however, a political and virtual commitment based on parliamentary responsibility. Except in unusual cases, there has seldom been any disagreement between the views of the Parliament and the Government. Sometimes, though, the special Committees demand a more precise negotiating line when it comes to the details. It is in the ME's strong interest to bear these statements in mind. It must secure acceptance for the proposals needed to implement decisions made in the EU.

In some respects, the preparation of environmental questions differs considerably from other policy sectors. Risto Lampinen (1998, 111–115) singles out six special features in the preparation of EU questions in the Ministry for the Environment when compared to the other Finnish ministries: (1) The Minister of the Environment and the top officials of the Ministry rarely participate in preliminary work. (2) Industrial and environmental interest groups participate actively in preliminary work where they have considerable influence. (3) It is believed that the significance of the EU 23 Sub-Committee, which deals with environmental questions, is low. (4) The most crucial stage in dealing with environmental issues at the EU level is the Council's environment group. At this stage, close participation is demanded of the Member States. (5) The other ministries have considerable influence on issues that are under the responsibility of the Ministry of the Environment. The other ministries strive to influence Finland's common position in the EU, which is prepared by the ME – whereas the ME's standpoints and the environmental dimension in general are much more difficult to include in positions prepared by other ministries.

Judged by the amount of EU affairs submitted by the various ministries to the Finnish Parliament, the workload of the ME does not seem to have increased significantly as a result of accession. Between the years 1995–99, the ME prepared four per cent of such questions (Eduskunnan tietojärjestelmä). Nevertheless, the impact of EU membership on the Finnish ME has been considerable because EU statutes involve most activities of the Ministry. The starting point for preparing national statutes is to consider what the EU has decreed on the issue. Dealing with EU directives keeps different units busy at various levels. Some units (like the Unit for Environmental Protection) that are responsible for EU issues deal with directives every day; other units deal with them only every now and then. (Lampinen 1998, 111.)

How does national preparation proceed in Finland when decision-making is raised to the EU level? This process is presented in broad outline below in Table 7. The table gives a partially misleading picture of the step-by-step preparation process. In actuality, many preparatory phases presented in the chart take place simultaneously in Brussels and in the capitals of the Member States. (Mattila 2000b, 139.) In Brussels, the proposal can be returned from the Coreper to the working parties several times. The table does not cover national positions pertaining to the amendment proposals taken by the EP under the co-decision procedure. However, it can be used to illustrate roughly the progress phases that occur in Brussels and in the capitals of Member States. In this study, the Sub-Committee is used as a tool for the case study analyses.

Table 7. European decision-making and preparation in Finland.

The EU decision-making and national co-ordination	
EU-level preparing	Preparing in Finland
“Gleam in Commission’s eye”. Commission announces likely policy initiative.	Informal discussion within the Ministry in charge.
The Commission begins the preparation.	The Ministry in charge begins national preparation.
Commission consultative meetings with Member States and interested parties.	The Ministry in charge takes part in the meetings and frames national position.
Commission meeting to formalise the proposal. Trigger mechanism flag up potential inter-cabinet wrangling over the content of the proposal.	Civil servants take an initial decision on the national position. The Parliament is informed about the matter.
The Commission sends the proposal to the Council.	The national position is decided in greater detail in consultation between the ministries.
The European Parliament begins review.	The Government issues instructions to the Permanent Representation that in form Finnish MEPs if necessary.
Council working party deals with the proposal.	Experts of the National Ministry assist attachés in the working party. Grand Committee is informed of progress. Finnish position can be changed if necessary.
Coreper attempt to settle open points of the issue.	The permanent representative, the minister and civil servants refine the Finnish position.
The Council of Ministers dealing with the proposal.	The Cabinet Committee on EU Affairs determines the Minister’s room for manoeuvre in the Council.

(Sources: Spance 1995, 156; Mattila 2000b, 139; Rehn 1998, 16)

The formulation of the national position begins informally even before the Commission sends the proposal to the Council. The Commission has to assess whether the Council can possibly accept the proposal. The Commission arranges a hearing of the Member States in which experts represent the Member States only informally. At this stage, the responsible Ministry determines the Finnish position fairly independently. This gives the Member States the open option to change their position later, once other ministries, interests groups, and the Parliament have stated their views. Of course, the national position can be altered at any stage of the process (if, for instance, the Commission’s proposal is changed in the Council).

When the Commission sends the proposal to the Council, an official influencing stage commences among the Member States. Before the proposal gets to the Council of Ministers’ agenda, it is prepared by the Coreper. Before the Coreper even begins its studies, the dossiers have been in preparation for months in a working party of

lower level national officials. As soon as a proposal is put onto the agenda of the environmental attachés, they need instructions and experts from the national ministry to assist them in the group negotiations.

At this stage, the national position must be determined precisely because the working party and the Coreper can, naturally, negotiate only within the margin given to the national representatives by their respective governments. From the start, national ministries must consider the national position carefully because, the longer the debate progresses, the more difficult it will become to bring up new objections. At this stage of the decision-making process, the ME must have a strong position to be able to continue to influence the national instructions since its environmental foreign policy agenda is not necessarily the same as the European agenda of the Government or the agendas of the other ministries.

3.5 Summing up the Background of Finnish EU Environmental Policy Making

As in the previous Chapter, we shall also end this Chapter with a summary in the form of a list of policy features. The policy features, thus, consist of results of former studies. Like the list of policy features at the end of the previous Chapter, these features are primarily designed to make the argumentation clearer and to improve the readability of the study.

(1) *Environmental policy is managed just like other policies*

The way Finland draws up its environmental policy has a lot in common with Finland's policy making in general. Therefore, the special features of Finnish policy making must be understood in order to be able to understand the character of environmental policy.

(2) *Finland has special northern circumstances*

Finland's greatest environmental concerns are connected to the serious situation of the Baltic Sea, the environmental risks posed by Russia, and the problems created by an energy-intensive industry. Finland's geo-ecological position and low population density differ considerably from West European circumstances as does its land ownership and administrative culture.

(3) *Environment was not the reason for joining the European Union*

In the EU membership negotiations, the environment was not raised as a significant issue for discussion. Finland's motives for joining the EU focused on security issues and economic policy. The single most labourious policy sector for Finland's negotiators was agriculture. Membership both developed and weakened the level of environmental protection in Finland. In the membership negotiations, Finland got certain derogations to maintain higher standards. These questions were not very significant and did not create a conflict between Finland and the Commission.

(4) *Finland is a small player in the European Union*

Finland, a peripheral state in the Union, is one of its smallest countries, measured by any parameter (population, GNP, voting power). Maintaining the power of small Member States is one of the key aims of Finland's general policy in the EU and forming alliances is especially important.

(5) *Finland is a loyal member of the European Union*

Some of the Member States and EU institutions want to increase supranational power, while others wish to limit it. The former group (Maximalists) include the Commission, most of the MEPs, and the original Member States. The second, Minimalist group, includes Denmark, Sweden, and the UK. Finland is close to the Maximalists or, at least, a very loyal Member State of the Union. In this respect, Finland differs considerably from the other Nordic countries. The political elite unanimously supported Finland's membership in Union although the citizens' opinion was split. This relationship has remained unchanged.

(6) *The Natura programme hampered the environmental work of the Finnish ME and increased support of the EU among environmental groups*

Implementing the Natura 2000 programme proved to be a nightmare for the Finnish environmental administration. This hampered all Finland's environmental work in the EU for a long time – perhaps it still does. Accordingly, the environmental organisations, which are usually critical of the EU, appreciated the Union because of the Natura programme and the Habitat Directive.

(7) *Finland's EU environmental policy making has been both appreciated and criticised*

Several studies and surveys have shown that Finland is perceived as having distinguished itself in developing a European environmental policy. Finland is considered as part of the green bloc in the EU because of its having very strict domestic environmental standards. However, critical appraisals of Finnish policy have also been presented. According to these appraisals, Finland is a follower of the other green states rather than an active forerunner.

(8) *The national coordination of EU affairs is effectively organised in Finland*

The national preparation of EU affairs is relatively centralised in Finland and comes ultimately under the responsibility of the Prime Minister. The system ensures good opportunities for participation for the Parliament and certain interest groups. The official coordination system does not, however, reveal all about how the system really works because it does not take into account the unofficial decision-making system.

(9) *At the beginning of the process, the responsible ministry has a free hand in defining Finland's position*

Definition of national position and that of political process at the Union level often overlap. Usually the national position must be adjusted several times. However, at the beginning of the process, the responsible ministry can represent the Finnish position quite independently. At least in principle, the central role of the responsible ministry has increased the power of the weak ministries, such as the Ministry of the Environment.

4

Research Task and Methods

4.1 Research Questions

In this study, we are interested in the impact of Finland on the environmental policy of the European Union during the first five-six years of Finland's membership. Because of the two-level game feature of the EU decision-making process, the research task concerns both Finland's formal and informal activity within the EU institutions as well as the general status of the environmental dimension in the national coordination of EU affairs. The research questions have been formulated on the basis of hypotheses presented in Sections 2.9 and 3.5. The general task of the study can be divided into the following more specific research questions.

(1) *What has been the status of the environmental dimension in national coordination.* Is the national economic interest dominant when economical and environmental interests contradict each other in the coordination procedure? Has the Finnish Ministry of the Environment a strong enough position in relation to the other ministries when the national position towards environmental matters in the EU is specified? In which types of environmental questions does the ME have freedom of independent action and in which types is the freedom restricted? Has EU membership strengthened the relative power of the ME owing to the integration of environmental protection into the other policy areas? What is the impact of national interest groups in the coordination procedure? What is the relationship between national coordination and the implementation of directives? What is the significance of personal contacts in the preparation system? How conscientiously has Finland implemented EU decisions?

(2) *How has Finland used its opportunities for influencing the Commission?* In which environmental questions has Finland acted as the driving force? How and in which issues has Finland sought to move the Commission to begin preparing new political environmental initiatives? Has Finland sought to influence the Commission's proposals before they have been sent to the Council and has it succeeded in doing so? What has been the role of the Finnish permanent staff and national experts within the Commission? Has Finland attached importance to contacts with the Commission?

(3) *What has been the Finnish policy style in the Council?* How has Finland used its possibilities in the different forums of environmental policy making in the EU? Has Finland been trustworthy? Has it been active or passive? Has the country focused on domestic policy interests or pan-European development? Has Finland remained in the mainstream or can we say that it has sought to provoke the EU into taking new steps in environmental policy? Has Finland's political strategy been confrontational or has Finland preferred to seek compromise solutions? With which countries does Finland enter into alliances in order to reach its objectives? What kind of voting behaviour has Finland practised in the Council? What impact has Finland's political heritage had on the EU policy style? How incisive has Finland's EU environmental policy been in general? Has Finland sought to tighten the level of environmental protection in the Commission's proposals? Has it been more important for Finland to defend European environmental interest rather than its own national economic interest? Has Finland succeeded in its negotiating objectives?

The research questions will be answered by presenting an overview of the activities of the Finnish administration regarding environmental work at the EU. The

overview is defined in more detail through five case studies. The most important material used in creating the overview was collected by interviewing both Finnish and foreign actors in the environmental policy field. A total of 27 interviews were conducted, two of them with two interviewees. Six out of the 29 interviewees were representatives of the Commission's top level, five of Finnish or foreign interest groups, six from Permanent Representations of the other countries, and 12 experts and civil servants from different Finnish ministries. 11 of the interviewees were foreigners; their interviews were held in Brussels. In addition to the interviews, some extensive material from our previous research project "Suomen ympäristöpolitiikan tulevaisuuskuvat" (Scenarios of Finnish Environmental Policy) was also used (Sairinen et al 1999).

The interviews were used to analyse, first of all, the views of environmental policy-makers on Finland's environmental role in the various institutions of the EU. The collaboration between ministries was also examined, as was the impact of different interest groups on the determination of the national position. The purpose of the interviews held in Brussels was to acquire a more diverse and reliable picture of Finland's activities and policies than would have been available by interviewing domestic actors only. As support for the interview material, EU policy documents were also used, as were attitude papers and strategies of the Finnish Government in order to analyse the status of environmental issues. The analysis focuses on national "high level" policy positions and strategies in, for instance, the Council of Ministers. The analysis was based on a content analysis of political and administrative documents.

Finally, the qualitative methods were elaborated by quantitative data. Both general voting behaviour of Finland in the Council was analysed as well as voting with respect to environmental policy. Although votes are actually taken in the Council only rarely, an analysis of the probability of a negative vote or abstention revealed something of the different policy styles of the Member States. Moreover, comparative data on the "implementation rate" was analysed to determine how conscientious Finland's compliance with EU laws is and what it tells us about Finnish EU policy goals and style.

4.2 Selecting the Case Studies and their Characteristics

In order to access the actual level of the decision-making process, Finland's role in five specific cases of EU environmental policy are analysed. These are: the directive on strategic environmental impact assessment; the agreement on Finland's share in the EU "bubble"; the Directive on Large Combustion Plants; EU-wide carbon-energy taxation; and the Framework Directive on Integrated Water Policy. The case studies illustrate different types of problems in policy making and solution seeking. The topics vary from pollution to energy policy to the transparency of decision-making. The instruments for problem solution also vary. For example, the LCP Directive is essentially an instrument based on administrative control with clearly defined emission ceilings. The carbon/energy tax, in contrast, represents a newer, innovative market-based instrument.

Environmental questions also differ from each other in many other dimensions. These dimensions include the amount of publicity, the number of actors involved in the decision-making process, the level of actual decision-making, the scope of environmental consequences, economic and social consequences, cross-sectorality, the amount of technical details, and symbolic value. These dimensions determine to what extent an issue can be regarded as a *low profile environmental issue* (LPEI) or a *high profile environmental issue* (HPEI). The division does not describe the importance of environmental questions but outlines the dissimilarities in the decision-making process.

LPEIs are technical and usually hidden from public debate. Boring technicalities do not make for juicy news items and most newspapers do not have enough resources to concentrate on every detail. Due to their technical nature, it is generally easier to reach a compromise a priori at the lower level of the Council. This does not imply that LPEIs are insignificant. Quite the contrary as they often require immediate measures. LPEIs are prepared within relatively closed policy communities since specialised scientific knowledge is required in order to be able to present counter-expertise. The lack of necessary specific information excludes the environmental groups from actual decision-making. Industrial interest groups are not interested in the LPEIs because they do not occasion additional costs or otherwise hamper their business. The LPEIs are not cross-sectoral or, at least, there is no serious disagreement on the national position regarding them. Since civil servants mostly prepare the LPEIs, the LPEIs are viewed as micro-politics. They get little attention from top officials.

Certain environmental issues, such as climate change policy or deterioration of biodiversity, are high profile environmental issues. HPEIs are far more complicated than LPEIs. In general, they are global, latent, and threaten only future generations. Purely technical solutions are rarely available (See Sairinen 2000). HPEIs are never purely environmental because they are closely related to other policy sectors. The necessary measures usually have huge economic implications. These questions receive a lot of publicity and attract the attention of many different groups, all of which obviously have their own ways of interpreting things. Hence, conflict is more probable than consensus, even if the problem in itself is largely recognised.

Environmental issues can be – and they usually are by their nature – both high profile in terms of one aspect, low profile in terms of another. They may, for instance, be perceived at the beginning of the process as allowing a technical solution without extensive public debate. During the process, however, it may become clear that the eventual decision causes insolvable difficulties for some countries as top-level politicians' interest in them become known in the media. Many LPEIs (such as EU-wide carbon energy taxation as an instrument to prevent climate change) are also sub-issues of HPEIs. The characteristics of the chosen case studies on the aforementioned dimensions are as follows:

Table 8. Characteristics of the case studies in Finland.

	SEA	Bubble	CO ₂ Tax	LCP	WFD
Ministry in charge	ME	ME	MF	ME	ME
Qualified majority/Unanimous decision-making	Q	U	U	Q	Q
Amount of public debate	•	•••	••	•	•
Number of actors in decision-making	•	•••	••	•	••
Environmental consequences of new measures demanded from Finland	•	•	•	•	••
Economic, social, and administrative consequences	•	•••	•	•	•••
Symbolic value	••	••	•••	•	••
Conflicts between ministries and interest groups	•	•••	••	•	•
Cross-sectorality	•	•••	•••	•	•••

••• = very significant

•• = significant

• = less significant

It ought to be borne in mind that the dimensions in the table apply to Finland only. On a European level, the situation would surely be completely different. For example, the environmental effects of the SEA or the LCP are without doubt very significant at the level of the entire Union whereas, in Finland, legislation has already reached the level of the Commission's proposal. The two topmost dimensions in the table are interdependent. Publicity increases the number of people who seek to participate in decision-making, and vice versa. Of the cases in the study, the bubble clearly received the most publicity, whereas complicated and technical proposals such as LCP and WFD do not easily become news. From the environmental viewpoint, sharing the bubble did not change anything since the issue was each country's share in the bubble. The most significant point with regard to the CO₂ tax was that it signified the beginning of common economic environmental policy instruments. Excluding the LCP Directive, several ministries were interested in the cases; this meant that Finnish position was truly coordinated.

The purpose of the table is not to construct a rank order of importance but to illustrate the different nature of the cases. The table is not based on quantitative data but on the assessments of the research team and some of the interviewees. It shows that case studies can be very different with regard to different dimensions and thus means that they give us a comprehensive picture of the decision-making in the environmental policy field. The table helps us to perceive which points serve to make an issue either low profile or high profile. This in turn dictates who is allowed to participate in the decision-making and who is excluded. The roles of politicians, civil servants, and interest groups differ entirely when related to pure LPEI questions as compared to HPEIs.

4.3 Research Methods and Material of the Case Studies

The research material of the case studies consisted of documents and interviews with the civil servants responsible for their preparation. All relevant documents could not be accessed because most documents of the Council, its working parties, and the Coreper are still classified as secret. Outside observers are not allowed to attend Council meetings. Although pressure has grown to increase openness and transparency in EU policy, the Council still insists that consultation of its minutes is subject to the "obligation of professional secrecy" (for more, see Sherrington 2000, 170–171). This naturally made the research more difficult. It was, however, possible to expand the picture of Finnish environmental policy through interviews, available documents, and literature dealing with the case studies. Only the relevant parts of the case studies will be analysed. The following dimensions will be taken into account in the case studies (see also hypotheses in Section 2.10):

The National Level

Determination of the national position. What kinds of power relationships exist between the different ministries that, to a certain extent, represent different interest? What has the impact of domestic pressure groups on determining the national position been? What has the role of Parliament been?

The Commission Level

Agenda-setting. Has Finland had an impact on problem recognition in the Commission? What has the influence of Finland's national experiences/examples on the Commission's proposal been? How has Finland utilised the Commission's dependency on outside actors?

Formulation of the proposal. What impact have Finnish experts and permanent staff had on content proposal in the Commission? If Finland has succeeded in influencing the proposal, has the result lead to an increase in the level of environmental protection?

The Council Level

The level of environmental protection. How progressive has Finland's line been when compared to other Member States? If Finland has changed its position during the process, how and why has it changed?

Compromises. How flexible has Finland been when reaching a compromise? Has Finland itself presented commonly acceptable solutions? How strongly has Finland defended its national interests? Has Finland been able to reach a compromise during its Presidency?

Alliances. What kinds of alliances have formed during the process? Which alliances has Finland been involved in? Has Finland attempted to form environmental alliances?

The Case Studies

5.1 Strategic Environmental Impact Assessment (SEA)

The purpose of the SEA Directive is to ensure that the environmental consequences of plans and programmes are identified and assessed before any final decision is taken. The aim is also to promote public debate and the participation of citizens and different interest groups. The Directive extends the existing level of the project-based environmental assessment system to the strategic level of decision-making.

The Commission's first SEA draft, which included experiences of experts from the Member States, had already been completed by 1991. The Commission did not present its final proposal (COM (96) 511) until the end of 1996. Thus some five years passed between the completion of the first draft and the final proposal. The reason was that the directorates were not able to agree on what to include in the proposal or even whether the proposal was necessary. Many Member States, for varying reasons, found the Commission's proposal difficult to accept. Above all, most Member States felt that the Directive was too vague and open to interpretation. This opinion was based on the fear of future lawsuits. The proposal's relation to existing environmental impact assessment systems was also considered to be unclear.

The proposal was put on the agenda for first time during the Netherlands' Presidency. The purpose of the Netherlands was not actually to deal with the proposal but to explore the possibilities for reaching a common position. The following Presidencies, however, found the issue too difficult to place on the agenda. Austria did organise a seminar for experts in which the problem areas of the proposal were delineated. This helped to smooth the way for the later treatment of the issue by the Council.

Germany, which had had problems implementing national EIA directives, surprisingly put the directive proposal on the agenda during its EU Presidency, although Germany was not aiming to finalise the proposal. At the time, only two general discussions were conducted in the environmental group concerning the proposal. Because Germany had put the proposal on the agenda, it was assumed that Finland would continue to deal with it during its Presidency. However, Finland was not enthusiastic about doing so because it felt that the possibilities for success were not good.

However, the Environment DG and the Member States encouraged Finland to proceed with the proposal; it saw Finland as having the necessary expertise as well as similar national legislation. Eventually, Finland took up the proposal during its Presidency. The decision to do so was made easier by the fact that accepting the proposal was not difficult for Finland itself and thus there were no great national passions involved. The Environment Council adopted the directive unanimously in December 1999, albeit in a considerably changed version.

Agenda Setting and Proposal Formulation

The Commission had already begun outlining the SEA Directive by the beginning of the 1990s before Finland had become a member in the Union. Prior to 1994, Finland could not take part in the Commission's work but, in 1994, it did so by participating in expert meetings as an EEA member. At this stage, Finland did not have a say in agenda issues or problem definition.

Finland developed its own national environmental impact assessment legislation whilst keeping an eye on EU legislation. It was believed that the SEA Directive would be adopted, sooner or later, at the EU level. This was one of the reasons why a provision on strategic environmental assessment was included in Finland's national EIA legislation. Thus Finland, in addition to some other Member States, had practical experience of the SEA at the national level. Finland had also run some pilot projects on the environmental assessment of plans and programmes. Some of these were passed on to the Commission. Some studies involving the principles of the SEA had also been made. Finland thus had the necessary prerequisites for gaining influence within the Commission when it came to the proposal. The Commission organised expert meetings and collected views from various Member States on what the proposal should apply to. Finnish EIA experts took part in the meetings and Finland sent the information required by the Commission.

Officials and civil servants working on the directive felt, however, that their efforts were not taken into consideration. The content of the Commission's final proposal came as a disappointment to Finnish environment officials – especially because of the narrow scope of its application. It is difficult to assess why Finland's comments did not evoke a response from the Commission. Perhaps a small country like Finland did not have enough credibility at the time. On the other hand, the Commission might have viewed the proposal as too burdensome to carry out as it stood and that narrowing its scope of application was the only way of getting it adopted within the Commission. The proposal created a lot of contention between the different directorates and this too may have played a part in making the proposal weak and unclear.

Determination of the National Position

Because Finland already had legislation for the assessment of environmental impacts of plans and programmes in place, the development of EU legislation did not cause any significant discord amongst the Finnish ministries. The Ministry of the Environment was relatively free to determine Finland's position. National interest groups had very little impact on Finland's position. The most important thing for the ENGOs was that the issue be finalised during Finland's EU Presidency. Because the other ministries and interest groups did not have many things to comment about on the proposal, the SEA Directive never became a major political issue in Finland. The civil servants handling the Directive played a key role in the preparation process while there was common understanding within the Government.

It is also worth noting that doubts regarding the usefulness of the Directive at the Community level were also raised in Finland. There was fear that the Directive would be adopted in a diluted form and that its scope of application would also be narrowed down in Finland as well. On the other hand, there were the environmental concerns of Europe as a whole. The general opinion in Finland was that, without the Directive, many of the Member States would not develop their own policies in this field.

Compromises

Finland's willingness to compromise should be analysed in light of the fact that the Directive proposal was not taken under serious consideration until during Finland's Presidency. The primary task of the presiding country is to come to an agreed position regarding the opinions of different countries. Therefore Finland's readiness for compromise can neither be assessed in the light of other countries' activities nor by the fact that the issue was finalised during the Presidency of another Member State. It is also difficult to assess Finland's flexibility during the various stages of processing the issues preceding the country's Presidency because no serious attempts to negotiate for a final decision were made yet.

The lack of inter-ministerial conflicts in domestic policy made it easier to present flexible solutions for compromise. Because its national interest stayed in the background, Finland was able to appear as a defender of common European environmental interests. During the handling of the SEA proposal, special flexibility was demanded from the Presidency because the positions of the Member States were very far apart. As the President of the Council, Finland aimed at making the proposal simultaneously flexible and judicially binding⁷.

Alliances

At the formulation stage of the proposal, Finland was already moving along the same lines as Denmark and the Netherlands. These countries wanted to develop the SEA into a tool for sector integration. This called for a wide and flexible scope of application. In the opposite camp, Germany especially was in favour of a narrow and well-defined scope of application. Spain's demand for unanimous decision making shows that it too was very wary of the whole Directive. It has to be kept in mind, however, that during the long process the positions of the member states were not stable. The member states formed many kinds of coalitions during the process and we were not able to follow every change of alliances by our imperfect research material.

The crucial part of the proposal was the scope of its application. Denmark suggested expanding it to the "policy level". This suggestion divided the Member States' opinions to a very significant degree. The Netherlands, Sweden, Italy, and Finland favoured Denmark's proposal with Spain, Greece, France, and Austria opposing it. The other countries took a more guarded position. An expanded scope of application could, in this instance, be seen as a measure of progressive environmental politics. It is not surprising to find the northern countries and the Netherlands in this group as they have often emphasised the openness of politics. No classic bloc of forerunner states was formed in this situation because both Germany and Austria strongly supported a narrow scope of application.

It must be noted that the issue of the scope of application caused rifts between Member States at many levels. The binding nature and exhaustiveness of the scope of application was much debated among the Member States and led to the formation of several different coalitions. Finland, like most other Member States, made several suggestions for amendments to various sections of the proposal.

The Commission was not happy with the way its proposal had been reformulated. The only way that the Council can change the Commission's proposal without the Commission's consent is if its (the Council's) vote is unanimous. Therefore, when the Commission threatened not to side with the Council's tentative common and unanimous position, it would have needed only one Member State to back the negative position. Germany's position remained unresolved until the last moment. Germany ended up supporting the common position agreed upon by the other Member States. The Commission had to be content with recording its dissatisfaction with the resolution. Finland generally felt that the Commission's positions were often out-of-date and that the Presidency had not received constructive support for finding a feasible solution from the Commission.

Level of Environmental Protection in Finland's Positions

Finland's position during the drafting process pointed to a rather strict environmental political objective. Its objective clearly was to make the SEA Directive as comprehensive as possible in order that it would be a significant tool for sector

⁷ This was naturally a difficult task, because the two demands are mutually exclusive.

integration. This was obvious in many instances. When the Commission was outlining the proposal, Finland was already seeking to make it as wide reaching as possible. Even if Finland was not successful in its attempts, this does not imply that it did not actively try. Finland, on Denmark's initiative, joined a bloc that was in favour of expanding the scope of application to the policy level.

Compared with many other Member States, Finland had had a lot of experience in assessing the environmental impact of plans. Openness and the opportunity for public participation in the decision-making process is a traditional aspect of Finland's political culture. Thus, it is not surprising that Finland was encouraged to put the proposal on the agenda during its Presidency. It was believed that if any Member State could be able carry out this task, it would be Finland.

5.2 Finland's Share of the EU "Bubble"

At the United Nations Climate Change Conference in Kyoto on December 1–11, 1997, it was agreed that EU's target for reducing greenhouse gas emissions by 2008–2012 would be an 8 % cut from the emission levels of 1990. EU's reduction target meant to be divided among the Member States in such a way that each state would reduce emissions according to a separate burden sharing agreement. The 8 % reduction target is the commitment by the European Union as a whole. Some countries, such as Germany and Denmark, have a reduction commitment of 20 % while the southern Member States may increase their emissions by nearly 30 %. The EU's overall target has generally been referred to as the "bubble". The EU ministers reached an agreement on burden sharing June of 1998 in Luxembourg during the UK's Presidency. Finland's commitment was to stabilise emission levels to those of 1990.

The analysis of the case study will be limited to the agreement based on the negotiations and meetings held in 1997 and 1998. The discussions began during the Italian Presidency in January 1996, and continued through the Irish Presidency. Netherlands' Presidency in January 1997 pushed the discussions to a final stage as part of the preparations for the meeting in Kyoto. The objective of these negotiations, held prior to the Kyoto Conference, was to determine each EU country's share of how the bubble would be divided. During these negotiations, it became clear that experts from the other Member States felt that Finland would be able to reduce its emissions considerably.

When considering the "right" share for Finland, any reduction objective was a difficult political issue for many reasons. First, the choice of the year 1990 proved particularly problematical. During that year, the share of imported electricity was exceptionally high. Furthermore, forecasts for increases in emissions for Finland were among the highest in the EU. Several measures for reducing emissions (such as ambitious energy conservation programmes and energy taxation) had already been implemented and energy efficiency had been increased through combined production of electricity and heat.

For these reasons, Finland's Minister for the Environment at the time, Pekka Haavisto influenced the negotiations, according to the negotiation mandate agreed by the State Council, to achieve a realistic and environmentally sound share of the EU's total reduction target. Given the fact that Sweden insisted its right to increase its emissions by 5 %, Finland's stabilization target was considered to be ambitious enough.

Agenda Setting and Proposal Formulation

In this particular case, the Commission did not have a direct role in the final determination of the burden sharing between the Member States because the issue did not involve a directive or any other Union statute. The country of the Presidency

played the key role. Therefore, we can overlook the agenda-setting and the proposal-formulation phases and concentrate instead on the Council negotiations.

Determination of the National Position

In Finland, the negotiations were preceded by a cross-ministerial conflict. It was highly unusual for the Minister for the Environment to negotiate at the supranational level matters that have a major impact on the national economy. In Finland, the stronger ministries, especially the MTI and MF, are charged with most of the responsibilities for implementing the decisions. At the beginning of the determination of the national position, Finland supported the bubble, because, without the bubble, Finland's commitment would have been 8 %. However, the MF and MTI took a negative attitude towards Finland's negotiating target of 0 %. They believed that the harmful economic effects caused by stabilisation were too serious.

In June 1998, during the most hectic stage of the negotiations, the burden sharing of the bubble received much publicity in Finland. Environmental groups demanded the -8 % EU average for Finland and, according to industry lobbyists, Finland's target should have been less severe - following the Swedish example. Industry representatives warned that the zero-change commitment would halt economic growth, increase unemployment, and force Finland to build more nuclear energy facilities. The language used in these public debates was unusually strong for Finland. Minister Pekka Haavisto's trip to the negotiations in Brussels was compared to the wartime minister J.K. Paasikivi's trip to Moscow on the eve of the war. According to the environmental organisations, Finland exaggerated the economic and social effects of emission reductions. In particular, the environmental groups accused the MTI of having a "scenario monopoly", which Finland's position was based on.

At the same time the coordination between the ministries was held at the top level. Finally the compromise for the stabilization target was negotiated based on Prime minister's guidance. The entire Government finally saw the zero-change commitment as the soundest option (both from the perspective of environmental and economic policy). Finland could not afford the risk of knocking down the entire bubble by its inflexibility. It would have been difficult for other countries to accept a positive commitment. Other countries would have found it difficult to accept increased emission levels for Finland, which would also have meant a blow to Finland's environmental image. However, Finland did not accept commitment to the zero-change objective without conditions. Upon a demand made by the MTI, Finland insisted on the inclusion of a statement in the minutes of the final agreement. It stated that, in accepting the commitments (including the burden sharing agreement), Finland assumed that the common and coordinated policies and measures, the CCPMs, would be effectively implemented at all sectors of the economy, including the harmonisation of Union-level energy taxation. Furthermore, the statement laid down demands for the calculation methods and definition of sinks.

Compromises and alliances

Unlike environmental policy issues in general, the division of the Union's overall reduction burden can be characterised mostly as a zero-sum game. If one country obtains a lower commitment than it is actually able carry out, this shifts the burden onto the other countries needlessly. Thus, lowering the commitment does not cause any deterioration of the environment, as the reduction obligation passes on to some other Member States. At the same time, the cost of the reduction is transferred to competing countries, which means that each country is tempted to achieve as small a reduction target for itself as possible. However, in exceptional cases, Member States must be flexible and make concessions regarding their own commitments for the benefit of Europe as a whole, since the decision regarding the division of the bubble

must be unanimous. In principle, any one country could have “burst” the bubble all by itself.

For a fair implementation of the burden-sharing agreement, each Member State should have to expend the same amount of effort to reach its commitment. Nevertheless, this does not imply that every country should have the same emissions reduction goal. Attaining a just settlement requires precise data on objective realities and acquiring such information on this exceptionally complicated matter can be very difficult. Future development cannot be foretold and different scenarios have to be constructed. These scenarios have to be well founded. Consequently, every Member State has to gather as accurate data as possible on its own situation and to make a proposal based on that data. Finland’s proposal was broader than that of the country of Presidency that was heading the negotiations. Thus Finland had to convince the Community of the rationale behind its arguments, as did all the other countries. This resulted in an argumentation contest between the countries. The starting point in Finland was that the zero-change commitment was already seen as difficult and that pressure from industry to allow increased emissions was strong. Thus the stabilisation of emission rates was a compromise between domestic pressure and the commitment set for Finland by the other Member States. Because the Presidency accepted Finland’s proposal, Finland was not forced into the awkward position of having to choose an option that was regarded as impossible and thus overturning the bubble. On the other hand, Finland may have accepted the zero-change commitment because it believed that changes would be made in the methods of calculating sinks that would ease Finland’s burden. A compromise is still being negotiated, although the topic has shifted from emission commitments to calculation methods.

Because of the zero-sum game nature of the division of the bubble, no coalitions as such between countries were formed, unless one considers the southern Member States’ united demand that their special circumstances be taken into consideration.

The Level of Environmental Protection

No objective criteria exist by which Finland’s zero-change commitment could be evaluated as being ambitious or not. However, it is very clear is that the commitment required Finland to take measures in several political sectors. In 1998, the commitment was most probably seen as more difficult than it is today. Back then, the decision making based on the information available at the time and one has to base any the evaluation of the environmental policy level of the commitment on this fact.

One obvious question remains. Why did Finland adapt stabilization as its reduction target and not a 1-7% emission increase, for example? One reason might be the fact that the UN Framework Convention on climate change (UNFCCC) calls for stabilization of greenhouse gas emissions by year 2000. Prior to this the joint Energy/Environmental Council decided in October 1990 to stabilize CO₂ emission in 2000 at 1990 levels. Thus the zero-change commitment was in keeping with the spirit of the agreement and Finnish environmental policy could be seen as being in accordance with international agreements. Also, the pressure from the experts from the other countries to set Finland’s reduction target on the 1990 level (which Finland regarded as impossible) did not leave any room for demanding increased emissions. More important than these explanations, however, was the maintenance of environmental political status. Finland could not afford to lose its reputation as a nation that is concerned about the state of the environment. The difference between zero and plus one is that the latter would have presented the international community with an image of Finland as an increaser of emissions. Zero percent would project the image of a nation taking responsibility for the environment. As a result, even industry representatives were doubtful about demanding emission increases for Finland.

The next question to be answered regards why the other Member States, led by the UK, the country of Presidency, accepted Finland’s zero-change commitment even

though Finland had originally been supposed to reduce its emission levels. This could, of course, be explained by Finland's well-founded arguments that convinced the experts of the other Member States. Perhaps, on the other hand, the reason was that, ultimately, Finland's share of the bubble was fairly small. It is possible that the demands would not have been accepted had they been made by one of the larger countries of the Union. Thus, it can be said that Finland used its small-country advantage in the negotiations. On the other hand, there would have been no flexibility towards Finland without the country's convincing arguments. Even though Finland's emissions are only a small part of the absolute total, making an exception is politically very difficult. The danger is that other countries will demand similar flexibility by basing such appeals on the exceptions granted to any one country.

Finland was not the only "green" Member State that demanded lower commitment than was originally planned. For instance, in spring 1998, the Dutch government appeared to undermine the agreement, even though the Dutch Presidency in 1997 was responsible for brokering the agreement between national governments that led to the joint position in Kyoto. The argument of the Dutch government was similar to that of the Finnish government: because the Netherlands had already introduced measures to curb emissions, any further reductions would impose a much greater burden on its industries than in other Member States. The German government supported the Netherlands' call for a re-examination of the commitments, whereas the UK Labour Government stated that its intention was to double UK's agreed 10 % reduction target. (Barnes & Barnes 2000, 292–293.)

5.3 The EU-Wide Carbon-Energy Tax

As mentioned previously, in 1990, the Council undertook to stabilise CO₂ emissions to 1990 levels by the year 2000. Following this undertaking and to launch the discussion on the global challenge for combating the greenhouse problem, in 1991, the Commission presented a communication on a Union-wide strategy to limit CO₂ emissions and to improve energy efficiency (COM, 1991; Bragge 1997, 75.) Finally, in 1992, the Commission prepared an energy tax proposal according to which the carbon content of an energy source would determine approximately half of the tax while the energy content would make up the other half. The reason for not imposing a pure carbon tax was that it would be a major incentive to switch fuels from coal to nuclear power, for example.

The proposal was a triumph for the Environment DG over some other directorates that strongly opposed the proposal (Ikwue & Skea 1996, 97). The tax was to come into effect at the beginning of 1993 so that it would gradually increase from about USD 3/barrel of oil and reach USD 10/barrel by the year 2000. The new taxes were to be offset by decreasing other taxes and fees. (COM 1992, Sairinen 2000.) The main purpose of the tax was to contribute to the EU goal of stabilising CO₂ emissions within the Union to the 1990 level by the year 2000. The proposal was virtually abandoned after it met with considerable opposition in the Council. The intense discussion within EU institutions centred on two themes: the impact on the competitiveness of industry and the increased fiscal competence of the Community. According to industry, any decision would have to be followed up by an analogous evolution globally or, at least, within the OECD region (Delbeke & Bergman 1998, 245).

In order to overcome this opposition, a revised proposal was put forward in May 1995 (COM (95) 172 final), which introduced the concept of a transition stage. The transition period (January 1, 1996 to December 31, 1999) would have preceded the possible harmonisation of the tax in 2000. The transition period would have served to introduce common rules and, at the same time, given Member States the freedom

to introduce the CO₂ energy taxes according to their own needs and abilities. In accordance with the principle of subsidiarity, many technicalities of the day-to-day management of the system were left to the discretion of the Member States (Bragge 1997, 78). The Commission's tactic was to make it more difficult for industry and hesitant Member States to block the proposal because the locus of decision-making would develop around an alliance of the Member States. However, discussions on the revised proposal broke down on the question of what was to happen at the end of the transition period. Some countries would have wanted to remove the reference to harmonisation altogether, others were satisfied with it, while the rest would have wanted to make harmonisation already binding at this stage (Mäkelä 1997, Bragge 1997, 201). Mainly the UK and some Mediterranean countries that feared for their industrial competitiveness opposed the proposal. The background for the UK's resistance can be found in the ratification of the Maastricht Treaty, which almost brought down the British Government. The Government could not afford to appear to be letting matters of fiscal policy be decided by Brussels. Concerns over the impact of a carbon energy tax upon the coal sector reinforced this view. (See also Sairinen 2000.)

The Commission submitted its third proposal for the Community's new energy tax directive in March 1997. The proposal still fell under the stipulations of Article 99 (now article 93 TEC), which requires unanimous agreement. This proposal suggested that the then current minimum tax for mineral oils be extended to include all energy sources. It was also proposed that electricity and the heat generated during its production were to be taxed as end products, in which case the source of energy would not affect the size of the tax. For environmental reasons, Member States could, however, prescribe taxes for the fuels but these would not be included in the proposed minimum level taxes. The proposal gave the Member States an opportunity, and in some cases also an obligation, to admit tax reliefs on energy-intensive industries. The proposal also offered an opportunity for tax exemption or tax refunds, if environmentally friendly energy sources were used for energy production. It was hoped that any increases in revenue from the energy product tax could be diverted towards reducing income taxes or reducing employers' social security payments. The Commission's idea to introduce possibilities, such as exemptions and cost cuts, was to diminish political opposition from the business community. Another tactic used by the Commission was to emphasise that the EU-wide tax was aimed at harmonising the different national taxes and was thus a pure internal-market tax, not an environmental tax at all. In spite of this, many Member States, especially the forerunners, argued for the tax for climate policy reasons.

During its Presidency, Germany aimed at compromise solutions on key points of the proposal, such as the range of products that the proposal would cover. Acceptance of Germany's proposal would not have led to a decision but to a continuance of the discussion. Spain, however, refused to participate in the discussion at all. Ireland and Greece also took a very guarded view whereas the UK was prepared to accept Germany's compromise. However, since the proposal needed to be unanimous to be accepted, just one Member State's uncompromising resistance would have been enough to consider further dealings with the matter as needless. Finland continued handling the proposal in bilateral negotiations during its Presidency. In these negotiations, Spain and Ireland kept to their uncompromising negative position. A total deadlock of the EU-wide (carbon)-energy tax appeared inevitable.

Agenda Setting and Proposal Formulation

The overall purpose of energy taxation as an environmental policy instrument is to incorporate "externalities" caused by energy management into the market system.

Incorporating energy-related externalities into the market system is something that is widely accepted in principle. (Sairinen 2000, 178-179.) For example, as mentioned on page five, Polluter Pays Principle was accepted as one of the key principles for the Community's future environmental policy already in the first Action Programme (1973-77) and renewed in the fifth EAP. On the Community level, as well as any other international level, no international agreement on introducing energy taxes or other equivalent measures have not yet been reached. As a matter of fact, only the EU has been active in promoting these taxes internationally.

Antony Ikwue and Jim Skea (1996, 96-100) suggest that instead of being based on the policy of any one Member State, the carbon tax proposal had its origin within the Environment DG. Major factors for this was the desire to be "new and ambitious", to acquire a more prominent role on the international environmental stage, and as a reaction to the difficulties experienced in and after Rio. Industrial interests played no direct role in shaping the original proposal either. Business input came at a later stage. The formal proposal in 1992 created almost a sense of disbelief in the business community. National and European trade associations, companies, and industry confederations rallied their forces into backing a major anti-tax campaign. (Ikwue and Skea 1996, 96-100; Jachtenfuchs & Huber 1993)

On the other hand, while awaiting international agreements on energy taxes, some EU countries have already introduced their own models (The Netherlands 1990 and Denmark 1992). At least one reason for introducing the tax unilaterally was to promote Polluter Pays Principle in the EU and other international forums in accordance with Pusher-by-example model (see page 30). The international debate transformed into national legislation also in Finland and Sweden. In 1990, Finland was the first country in the world to introduce a tax on CO₂ emissions.

Determination of the National Position

Over the years, both the national level of taxation in Finland and that contained in the Commission's proposals have changed many times. Even at their highest, the proposed tax levels have always remained lower than the tax levels in Finland. Thus, even if the proposal had been realised, it would have had no significant effect on Finland's energy industry, nor would it have had a decisive effect on the formulation of Finnish environmental policy. The passing of the proposal was nevertheless important for Finland from the viewpoint of environmental and economic interest. From the environmental perspective, an EU-wide energy tax system is an important instrument for the goal of reducing CO₂ emissions in Europe. From the perspective of the national economy, a uniform tax would have increased the competitiveness of the energy-intensive industry of Finland because the tax had already been implemented nationally. Thus, in the definition of the national position, there was no conflict between environmental and economic interests.

Finnish industry has a very ambivalent attitude towards EU-wide energy taxation. Generally speaking, Finnish industry takes a negative attitude towards any taxes used as an instrument for environmental policy. From the industry's own point of view, the ideal instrument would be voluntary agreements. Moreover, the traditional command-and-control instruments are more popular within the industry than taxation. Finnish industry strategy has been to resist all taxes (e.g. through the UNICE) but, at the same time, it has supported measures that would raise tax levels in the rival countries to those of Finland. Industry was also hoping that the common minimum tax level in the EU would also lead to a reduction in the level of national taxation (Pertti Salminen, head of department at the Confederation of Finnish Industry and Employers, Ympäristöuutiset 1999).

Because supporting EU-wide energy taxation was to the advantage of both industry and the environment, there were no serious conflicts between different ministries or interest groups in the determination of the national position. However,

the flow of information between the MF and the ME floundered to some degree. The ME civil servants were dissatisfied that the MF, which was responsible for the preparatory work, did not keep the ME properly informed on what was happening in the negotiations in Brussels.

Compromises

The Commission's first proposal indicated that there were conflicts between the Member States' understanding of individual questions as well as questions in principle. For this reason, Finland decided during the second round (1997) not to take a strict line on unimportant issues because it considered it crucial for the proposal to be passed. In this way, Finland sought to smooth the way for a compromise result.

Finland's attitude towards Germany's suggestions was flexible as well. Finland did not consider the proposal good from the environmental viewpoint because zero tax was imposed on coal and a minimal tax for natural gas. Despite the lack of logic in the proposal, Finland supported it because even a diluted tax was considered better in Finland than no tax at all. The only remaining problem for Finland was the taxation of peat. Finland's demand that the tax on peat be removed was agreed to.

According to our research material, Finland was unhappy with Germany's actions during the latter's Presidency. According to the Finnish negotiators, Germany pushed the States opposing the tax into a deadlock and, because of this, the negotiators were forced to declare their negative position at the ministerial stage. Finland would have hoped for a more flexible and compromise-seeking approach from Germany in order to be able to continue dealing with the matter during Finland's own Presidency.

Alliances

In this case, the decision had to be implemented by unanimous decision because of the fiscal nature of the question. Because a qualified majority is not enough for taking decisions, the nature of alliance building is different than in our other cases.

Prior to the 1995 expansion of the EU, six Member States (Belgium, Denmark, Germany, Luxembourg, the Netherlands, and Italy) supported the tax proposal. Broadly speaking, support for the tax mirrored the countries' degree of ambition vis-à-vis CO₂ emission reduction targets. For these countries, the tax constituted an integral part of their CO₂ reduction strategy and, without it, they would have had difficulty attaining their national targets. Italy took on the Presidency in October 1990 when the CO₂ stabilisation target of the EU was established and has since then been a consistent supporter of the tax. (Ikwue and Skea 1996, 98) The new Member States (Austria, Sweden, and Finland) joined the tax-supporter group immediately following their accession to the Union.

The so-called cohesion countries, Greece, Spain, Ireland and Portugal, formed a second alliance. They believed that the tax would have negative economic impacts and that they could derive advantage from a compensatory use of the cohesion funds. France favoured a EU-level carbon tax but opposed any energy component in it. This reflects the country's major investment in nuclear power. (Ikwue and Skea 1996, 99.) The UK has been reluctant to accept any common taxes; this is seen as a reflection of the broader political concern of a perceived loss of sovereignty to Brussels. The security of energy supply was also a problem because it is based on an assessment of political threats, which are impossible to evaluate in monetary terms. In the most recent discussions, however, the UK's resistance has not been as uncompromising as it was at the beginning of the 1990s. The UK was, for instance, prepared to accept the proposals made by Germany in 1999. In the ongoing debate, there are only two countries that definitely oppose the proposal: Spain and Ireland.

The countries supporting the tax argued for the importance of common EU measures. As mentioned above, Finland also raised this question as a precondition for

the realisation of the zero-change objective. One strong argument of the countries resisting the tax was that they did not need any taxes in order to be able to survive the obligations of the EU carbon bubble. The opposing group declared that they had nothing against the countries that needed such tax to introduce it.

The realisation that a common EU tax would possibly not be realised sparked off a discussion on the harmonisation of the tax among those countries that had introduced it at the national level. At the Essen Summit meeting of the EU at the end of 1994, the Finnish representatives, together with those of Sweden, the Netherlands, and Denmark, attempted to push forward a proposal aimed at a common energy tax, but without success (Sairinen 2000). The next year, in accordance with the Finnish Government's decision-in-principle, Finland still held on to its objective of harmonising energy taxes at the European level. One natural step in this direction would have been the harmonisation of Nordic energy tax policies. (Bragge 1997, 95.)

The Level of Environmental Protection

The level of environmental protection in the Finnish national position is difficult to estimate exactly for many reasons. First of all, the proposal never got to the stage where it could have been accepted as a piece of legislation. Thus, Finland has not made an assessment of whether the Commission's latest proposal is too modest in terms of environmental policy. On the other hand, existing Finland's national tax was clearly stronger environmental policy instrument as the EU's proposal (See Sairinen 2000, 177-194).

The Union's plans to achieve common taxation have, however, had a considerable effect on the national taxation levels in Finland. Finland's original tax was put into effect mainly for national reasons, as the plans of the EU were not significant at that time. In 1993, the level of the taxes was raised because Finland's EU membership was seen as probable and Finland assumed that the common tax of the EU would be quite similar.

However, as early as 1994, it became apparent that the tax proposed by the Commission would not to be fulfilled. Therefore the MTL, MF, and Finnish industry began to criticise the Finnish national model of taxation. Furthermore, the Commission criticised the tax in its official letter to the State of Finland and request an account on the matter. According to the Commission, imported electricity should not be taxed because Finland does not have an electricity tax for domestic generation either. Because of these reasons and after a heated debate at the governmental level the tax was changed to a pure consumption tax from the beginning of 1997. It can be, however, concluded that Finland aimed at achieving the first-mover advantage in the EU regulation competition.

5.4 Directive on Large Combustion Plants (LCP)

The directive on the limitation of emissions of certain atmospheric pollutants from large combustion plants was originally adopted in 1988 (already proposed in 1983) and amended in 1994. The main purpose of the LCP was to reduce emissions of SO₂ and NO_x, which are believed to be associated with acid rain and with the forest die-back experienced in Germany and elsewhere in Central Europe in the early 1980s. The directive affects fossil-fuel-fired power stations (but not gas turbines) and boiler plants at petroleum refineries as well as larger industrial installations (Ikwue & Skea 1996, 84).

The original directive stemmed largely from the efforts of Germany, which had adopted an ambitious policy to combat acid rain earlier that decade (Jordan 1998, 4). German legislation to deal with an environmental problem that was specifically of German origin, forest die-back, was believed to have competitive implications for

German industry through its impacts on the price of electricity. Germany pressed the Commission to propose a similar measure that, apart from reducing environmental burdens across Europe, would also serve to equalise competitive conditions. After several years of negotiations in the Council, in which each Member State defended its own economic rather than environmental interests, a significantly modified directive was agreed upon. (Ikwue & Skea 1996, 85).

In 1998, the Commission proposed a new amendment which was based on considerations of technical developments in combustion plants and expanded the implementation of the directive to gas turbines as well. The ultimate goal of the amendment was to improve air quality, reduce acidification, and the formation of ozone in the lower strata of the atmosphere. Furthermore, it encouraged the combined generation of heat and power and the use of biomass as fuel. The proposal was first dealt with during Germany's Presidency.

Throughout the entire process, a recurring problem was the directive's scope of application, i.e. whether to set emission limit values for existing plants. At this stage, the Member States split up into the usual groups, forerunners and others. In the Commission's original proposal, limit values for existing plants were not included in the directive. On the basis of discussions within the expert groups, the Commission considered the question to be too difficult. Thus the Commission's proposal was split in two. For new plants, emission limits would be set by the LCP Directive and, for existing plants, by the Directive on National Emission Ceilings.

In a highly exceptional move, part of the Council began to demand that the LCP Directive be extended to existing plants as well. The Netherlands, Austria, Sweden, Denmark, Germany, and Finland were in favour of tightening the Commission's proposal to include limit values for existing plants in the proposal. France was also, albeit carefully, taking this position. Spain and Portugal were both against the entire proposal and questioned its legal basis. According to them, the legal basis for the proposal was Article 175 (2), which would have meant that the proposal would have to be decided unanimously, and not the proposed Article 175 (1). The non-forerunner states and France felt that the obligations in the National Emission Ceiling (NEC) Directive included restriction on the emissions of existing plants. Thus, these states supported the simultaneous handling of the NEC Directive and the LCP Directive.

Formation of a common position during Germany's Presidency was thus difficult because the Commission's proposal for the NEC Directive was not yet complete. The formation of a majority behind the forerunners did not seem possible either. Germany announced that it would no longer continue processing the Directive, especially during its Presidency, because, in its opinion, it was impossible to reach a solution. The NEC Directive was completed during the beginning of the Finnish Presidency (14.7.99). This enabled Finland to take up the processing of the LCP Directive. Despite the conflicts between Member States, it was generally believed in Finland that there was a good chance that a common position would be found.

As it turned out, the question concerning the inclusion of existing plants into the proposal was the only insurmountable stumbling block. The Member States were almost unanimous regarding the proposed limit values for future plants. No Member State had significant demands with respect to tightening or loosening the limit values in the Commission's proposal, even though some concessions were made to the values applied to Greece.

Consequently, as the President, Finland had to decide whether to start pushing a proposal that excluded existing plants from of the scope of the Directive or whether they should be included in the proposal. As a compromise, Finland proposed that emission limits set in Directive 1988/609/EEC would either be applied from 2007 onwards to combustion plants that had been in operation prior to 1987 or that the limits would be included in the emission reduction plans. The reduction plans would have allowed less stringent norms to be applied to existing plants than to new plants established under the Directive. The stumbling block to the proposal turned out to

be the degree to which the reduction plans would be binding. Led by Germany, the green bloc demanded that the reduction plans would have to be binding and to achieve the same level of emission reduction as the adoption of Directive 1988/609/EEC. Under Finland's proposal, the Member States would only do their utmost to reach the target without being formally committed to reaching it.

However, no consensus was reached during Finland's Presidency, despite the fact that the meetings continued in the Council up to the last minute, continuing into the small hours of the night. Germany and Denmark were unequivocally against the non-binding reduction plan. They succeeded in winning Sweden, Austria, and the Netherlands over to their side, which gave them sufficient weight to form a blocking minority and the proposal was rejected.

Later on, the Environmental Council reached a consensus on the content of the proposal in June 2000. Its content was very much like that of Finland's proposal and it was based on preparatory work undertaken for the Finnish proposal. Under the Council's position, existing combustion plants would either have to comply with the emission limits of the existing directive or they could choose to achieve the same target under a special reduction plan. The binding limits for existing plants would come into force on January 1, 2008. Finland's compromise proposal differed in that existing plants were now offered a "20,000 hour exemption". This provided the option for the plants to be in operation only for 20,000 hours after the beginning of 2008, in which case they would not need to comply with the emission limits or take part in the reduction plan. The targets of the reduction plan were also more stringent and precise than in Finland's proposal. This secured the green bloc's support for the proposal. However, the acceptance of the proposal hinged on the fact that Germany's position had become considerably more flexible.

Agenda Setting and Proposal Formulation

As in the case of the SEA Directive, Finland had no opportunity to influence the Commission when it began formulating the directive. The decision that the Commission would draw up a new proposal by 1994 had already been made during the drafting of the original proposal. The proposal was, however, delayed for several years and was not completed until 1998.

With the aid of its experts, Finland got access into the Commission working groups through the ETA agreement and succeeded in influencing the content of the Commission's proposal. On Finland's initiative, derogation was included in the Commission's proposal concerning the sulphur dioxide limit value for peat.

Determination of the National Position

Dealing with the Directive proposal did not result in significant conflicts between different sectoral ministries in Finland. This was due to the fact that, no matter how the Directive was realised, it would cause no significant change in Finnish legislation because Finland's national legislation had already set a limit value for both existing and new plants. The only thing that led to ministerial discussion (MTI vs. ME) was the wording of the article concerning the combined production of electricity and heat.

Finnish industry did not follow every stage of the handling of the Directive. In this case, as often happens in matters requiring broad technical expertise, the Ministry of the Environment was dependent on information from industry. Thus, instead of the classic confrontational situation, industry and the Government worked in close cooperation. This, naturally, gave the industry a good opportunity to influence Finland's position.

Environmental organisations played no role in the domestic coordination procedure for several reasons. First of all, the proposal did not awaken any special animosity because it did not have a direct impact on Finland where such regulations

were already in place. Furthermore, these organisations did not have the kind of technical expertise that would have led to them being taken seriously. Schedules are usually so tight that the Finnish ENGOs have no time to get information about technical details.

Compromise

As in the case of the SEA, Finland's role was most prominent during its Presidency when the issue was addressed seriously for the first time. Finland's willingness for compromise was not tested during Germany's Presidency, as the differences in views between the blocs were too great and Germany no longer wished to deal with the issue. However, during its Presidency, Finland did actively strive for a decision, which is, in fact, what the country of Presidency is supposed to do.

As the President of the Council, Finland did not bullheadedly hold onto the kind of strict level of environmental protection that would eventually have prevented the proposal from being accepted. Finland's policy, in this case, should be seen as practical politics, the goal of which is to seek a solution and not to hold on to some principle just for principle's sake. It should be noted that productivity during a Presidency holds some status value. The more directives are approved during a Presidency, the better the country's reputation as a good negotiator becomes. The adoption of a great number of directives also served Finland's objective of actively promoting the European integration process.

However, some of our foreign interviewees thought that Finland made at least one tactical mistake when drawing up a compromise proposal as the EU President. The European Environmental Bureau (EEB) criticised Finland most severely. The one most bitterly disappointed by the proposal's failure was Finland, the country of Presidency. The clearest indication of the extent of the disappointment was when the Finnish Minister of Environment, Satu Hassi, publicly criticised Germany for overturning the proposal. According to Hassi, Germany and Denmark did not show any willingness to cooperate and opposed all proposals, whether they tightened or loosened the proposal.

In Finland, speculation concerning the reasons for the failure of the proposal centred almost exclusively on the notion that the other forerunners had overturned the proposal for being environmentally too modest. Finland found it impossible to understand this where the prevailing notion regarding the progressiveness of environmental policy was that it would be better to have some limits for emissions than no directive at all. However, it is not completely unprecedented for the forerunner bloc to prevent the passage of a proposal if the solution is not ambitious enough environmentally. A typical example of this kind of blocking is the "Luxembourg compromise" regarding car emissions in 1985 (For more details, see Liefferink 1996, 95–114).

Alliances

In this case study, the alliances were formed along the "orthodox" lines into forerunners, hesitants, and in-betweens. The alliances did, however, shift emphasis during the different phases of the process. During Germany's Presidency, all six forerunner countries, including Finland, were in favour of tightening the Commission's proposal. Spain, which demanded that the proposal be accepted unanimously, was perhaps most opposed to this. It is worth noting that, throughout the process, the risk existed that a blocking minority would be formed either on the side which demanded that existing plants be included in the directive or on the side which demanded their exclusion.

At first, the Netherlands supported Finland's compromise proposal, as did Sweden. Austria also expressed a wish for compromise and made some suggestions

on how to reach an agreement. Germany and Denmark, on the other hand, held on to their demand for setting a limit value for existing plants. In the other bloc, the Mediterranean countries and the UK expressed their consent for a compromise proposal, feeling that setting limit values for new plants was essential. Almost all countries had several conditions and footnotes but these were tactical bargaining tools rather than key questions. At this point, there were good chances for the formulation of a common position because Germany and Denmark alone would not have been able to overturn the proposal. However, to Finland's disappointment as the country of Presidency, the Netherlands, Sweden and Austria joined the German bloc, thus resulting in a large enough qualified minority. Consequently, the proposal was never accepted. In this instance, at least, the forerunner bloc was more attractive to Sweden and Denmark than the common front of the Nordic countries. During Portugal's Presidency, the green bloc was able to have some of its demands accepted, thus enabling the common position to be reached.

The Level of Environmental Protection in the Finnish Position

In assessing the level of environmental policy contained in the Finnish national position, we must distinguish between the country's role prior to, during, and after its Presidency. The position of a Member State during its Presidency is not necessarily the same as when it is a rank-and-file State. In the key issues, Finland belonged to the forerunner bloc both prior to and after its Presidency. As the President, Finland sought a compromise between two extremes but, as an ordinary Member State, it was prepared to accept tighter demands.

The implementation of the Directive would not have resulted in significant additional costs for Finland but, in the long run, would have lessened the amount of acid fallout that is carried to Finland. This gave Finland the opportunity, throughout dealing with the issue, to propose the tightening of Union-wide environmental protection measures. Thus, the Directive did not put Finland in the position of having to show its willingness to shoulder additional costs or make other significant efforts for environmental protection.

5.5 The Water Framework Directive

European water legislation began with the Surface Water Directive in 1975 and culminated in the Drinking Water Directive in 1980. The legislation was supplemented in 1991 with new directives on urban wastewater treatment and nitrates. The Commission also proposed additional proposals. Implementing existing directives and anticipating future directives set great pressures on everyone involved in European water legislation.

In 1995, the European Commission realised the need for a more global approach to European water management. The 1997–98 Commission proposed a new piece of legislation – the Water Framework Directive (WFD) – to ensure the consistency of Community water policy. The WFD was much needed as the different pieces of EU water legislation – as developed over the past 25 years – lacked consistency with one another and were not designed for sustainability but mainly for pollution control in certain waters or by certain pollutants.

The new Directive is designed to bring a major improvement to the sustainable and integrated management of water resources since it covers all uses and types of water. From an environmental point of view, the WFD's ultimate aim is to prevent further deterioration and to achieve a "good status" in all waters. The Directive will repeal several pieces of European water legislation while others will remain complementary to it. New, more detailed daughter directives will also be added to the WFD. The entire European water legislation will finally be revised.

Policy Procedure of the WFD

The Water Framework Directive has been subject to controversial debate from the beginning. The Commission left its proposal for a directive in 1997. Without waiting for validation of the EP's position, the Environmental Council reached political agreement in June 1998 during the British Presidency. The EP delayed its First Reading of the proposal for two years until the Amsterdam Treaty would be put into effect and the proposal could be treated under the co-decision procedure. Because of these reasons, there was a little conflict between the EP and the Council.

The First Reading of the EP took place in February 1999. Known as the greenest institution of the EU, the European Parliament adopted the role of defender of a very ambitious environmental policy. The Parliament accepted several amendments designed to maintain and, in some cases, to enhance the integrity of the environment in Europe. The Common Position of the Council, which was adopted and submitted to the Parliament in October 1999, included very few of the Parliament's First Reading amendments. Among the outstanding issues to be resolved between the Parliament and the Council were the phasing out of hazardous substances, water pricing, schedules for implementation, derogations, and definitions.

Elections for the new European Parliament were held in summer 1999. This altered schedules as well as positions. In the Second Reading at the European Parliament in February 2000, substantial amendments were added to the Council's Common Position that the EP considered too weak environmentally. The major changes voted on in the Parliament concerned legally binding objectives, the ending of dumping of hazardous substances into water, water pricing, schedules of implementation, and groundwater protection.

A "conciliation" procedure took place between March and June 2000 because the Council was not able to integrate all the Parliament's amendments into the Common Position. The conciliation procedure started unofficially with a three-way discussion involving the European Commission, the Parliament, and the Council. As a result of the unofficial conciliation, the amendments proposed in the Parliament's First Reading were diluted. The first official Conciliation Committee meeting took place in May 2000. A political agreement on a compromise over the outstanding issues between the Parliament and the Council was reached on June 29. The conciliation focused in particular on Articles 1 and 4 which lay down the purpose and the environmental objectives of the Directive, on Article 11 concerning the programme of measures, on Article 16 establishing the strategies against water pollution, and the new Article 16a which introduced the principles of a daughter directive to prevent and control groundwater pollution. The definition of hazardous substances in Article 2 was also addressed in the conciliation. As a result of the conciliation, the schedule for the implementation of the different aspects of the Directive was reduced, in most cases by one year, when compared to the Common Position.

The Parliament voted on the final text of the Directive in September 2000 and the Council endorsed the Directive in the same month. The Directive entered into force on December 22, 2000. EU countries have three years to transpose its provision into their national legislation. The adopted Directive must be regarded as a great success for European water policy because the many procedural problems that preceded it were overcome. Most countries were required to be flexible on issues that were important to them.

Determination of the National Position

From the beginning, the national preparation of the proposal in Finland was marked by the plurality and cross-sectorality of the issues. In addition to the ME, a group consisting of representatives from five ministries participated in the drafting of the Finnish position. There were, however, no special environmental political passions in the preparation of the proposal that would have divided the ministries into groups

supporting either stricter or looser level for water protection. The main reason was that the proposal did not require Finland to make major improvements in the quality of water that would have involved financial costs. Attention during preparation focused mainly on exceptional legislation and administrative and environmental conditions in Finland.

After the EP's amendments, the proposal was sent to the EU Committee of Ministers several times but not because there would have been any struggle between the ministers about the objectives of Finland's environmental strategy. In this case, the green environmental minister was just as careful as the other ministers regarding the suggested amendments made by the EP. This was mainly because the implementation of the Natura programme, which had caused a serious conflict in Finland, was still fresh in people's memories (see page 46*). For example, there are more water systems in excellent condition in Finland than anywhere else in Europe. An absolute injunction against causing deterioration of such water systems would have entailed a greater need for protecting areas in private ownership than in the Natura programme. This would have caused a Government crisis in Finland.

The Finnish environmental organisations were content with fairly minor "quick lobbying". This mainly meant mediating and publicising in Finland the positions presented by the EEB (European Environmental Bureau). The EEB has a lot of material and expertise concerning the matter, for it – like many other environmental organisations – had devoted a great deal of its resources to advocating the matter in the EU. The great number of amendments proposed by the EP was in part due to the active lobbying by environmental organisations. The impact of industry and trade interest groups on the Finnish position was fairly insignificant.

Finnish Position in the Council

Finland had already supported the renewal of EU water legislation in principle because, at the time, it was felt that the dispersed directives were outdated, ineffective, and completely unsuited to Finland. According to the interview material, not a single country had been able to implement the directive fully and the Commission had already sued several countries for this reason. Although Finland had been forced to explain a great number of points, it had not yet been sued. Finland's goal was to make European water legislation more global and modern.

There were, however, many issues in the Commission's proposal that were difficult for Finland for administrative and constitutional reasons. Finland is quite unique in that national waters are privately owned. Amendments were needed in order for the Directive to comply with the Finnish Constitution because the programmes of measures and management plans for water districts were not appropriate as legally-binding instruments in Finland. One of Finland's problems was the fact that drainage basins were covered in the proposal as a separate administrative unit. The basins in Finland are small and, consequently, Finland wanted to have an opportunity to cover their administration under a larger umbrella.

As the process evolved, the type of issues that were deemed difficult changed for Finland. Before the Common Position of the Council was adopted, the most difficult issues for Finland were water pricing, schedules, administrative arrangements, and the proposal's suitability vis-à-vis the Finnish Constitution. After the amendments of the EP, the most difficult issues were the absolute prohibition against deterioration of water bodies, the tightening of schedules, and the prohibition to unite groundwater. Throughout the entire process, the greatest concerns for Finland were the proposal's adaptability to the Finnish administrative system and environmental conditions. On the other hand, issues concerning water quality presented no special difficulty since national legislation demanded a very high level of water protection in any case. In fact, the EU-wide directive increased Finland's competitiveness in this respect because it required that each Member States increase its own level of water protection.

Compromises

Finland took a strict position regarding some amendments presented by the EP. In particular, the position was negative towards the EP's proposal that a good status of surface and groundwater be attained within ten years instead of the 16-year period suggested by the Council. Finland stressed that the activities of the national authorities should be included in the competence of the Member States. For the reasons discussed above, Finland refused to accept the EP's demand for the absolute maintenance of the high status of bodies of water. It insisted that the additional costs associated with these new demands should be in line with the benefits. Moreover, Finland's problem lay in the Directive targets, which were difficult to implement in harmony with the Finnish legal system under which bodies of water are privately owned.

All in all, Finland regarded the EP's amendments as contradictory and too far from the Common Position adopted by the Council. Most Member States, including Finland, considered the EP's amendments inflexible and even illogical. Some of our foreign interviewees, however, were astonished by Finland's very strict line towards some of the Parliament's amendments because Finland's course of action is usually far more flexible." However, Finland's positions in the conciliation procedure was accepted unanimously.

Alliances

During the policy process of the WFD, alliances were divided mostly along environmental conditions existing in particular countries. Problems common to the southern European countries included droughts and floods, the sufficiency of water supplies, and the fair distribution of water resources in conditions of scarcity. Moreover, these countries opposed the imposition of water charges that would increase the costs of agriculture. Thus, most of the questions in the proposal addressed social and agricultural issues rather than water protection directly.

Perhaps surprisingly, there was in practice no active Nordic cooperation in the WFD process, although Finland and Sweden share very similar natural conditions. Finland and Sweden had similar interests in many other matters as well but, in general, Sweden did not have very much to say on this Directive. Overall, the entire proposal process contained an exceptional number of difficult sub-questions. Coalitions of countries with common interest related to these sub-questions were formed. Thus, the coalitions were more tactical in nature than strategic. However, the classic environmental forerunner countries nevertheless wanted above all to protect the quality of groundwater, which had been a traditional concern.

The Level of Environmental Protection in Finland's Position

The WFD is a typical environmental question in the EU in that it is difficult to say at any one point whether a Member State's position is environmentally ambitious or not. One way to assess the level of environmental policy in Finland's position is to examine its attitudes on the EP's amendments, which were fairly demanding from the perspective of water protection. Finland took a very inflexible position towards these amendments and this astonished the representatives of some other countries. Denmark and, to a lesser degree, Sweden took a notably more positive attitude toward the EP's amendments. It can be said that, in the case of the Water Framework Directive, the green network was formed by the EP, Denmark, and the environmental organisations acting in Brussels.

However, we may ask whether we can evaluate Finnish environmental policy level based on its attitude towards the EP's amendments. Some of the amendments were not suitable to Finland's circumstances. In other cases, Finland wanted to moderate absolute prohibitions such as the absolute prohibition against hazardous substances. These demands were regarded as unrealistic goals and Finland's

reluctance was more a case of its desire to ensure that the directive would indeed be implemented.

In Conclusion

The Water Framework Directive was a triumph for the EU’s environmental policy and especially for the EP as the “trustee of European citizens” because the Council had to make concessions in its Common Position towards the Parliament. For Finland, the implementation of the Directive caused, above all, a great deal of administrative work. The burden caused by the implementation of the Directive has been estimated to be as great as the implementation of the Natura Programme, which has kept the environmental administration busy for years. One major aspect of the work will entail a comprehensive survey of the state of Finland’s waters and, for this reason, Finnish environmental organisations regard the WFD as an improvement environmentally. In the near future, attention may be paid to the sufficiency of administrative resources to handle the workload.

Despite its exceptional nature – or perhaps because of it – the WFD gives a fairly accurate idea of the environmental policy of the EU. The Directive shows the cross-sectoral nature of environmental legislation at its highest. Also for Finland, most of the important issues were not associated directly with the quality of water but with administrative questions (for example). This was the reason for Finland’s numerous appeals to the subsidiarity principle. The main goal of Finnish policy was to avoid the occurrence of the kind of conflict that had earlier taken place with the Natura Directive. Because of its cross-sectoral nature, the WFD contained many other dimensions than that of the classical conflict between financial costs and the level of environmental protection. For example, Ireland’s almost sole concern was a social one: the aim of the EP and the Commission to impose fees on the household consumption of water.

6

Results

In this Chapter, we will present the results of the empirical part of our study. The results are based on the case studies and on conclusions made from the interviews. We will begin by describing Finland's general position on environmental policy (Section 6.1). Next, we will divide the analysis into three levels: the national level (6.2), the Council level (6.3) and the Commission level (6.4). The views of foreign actors are presented into a separate sub-section (6.5). The results are presented as answers to the research questions based on the hypotheses on the end of the chapters 2.9 and 3.5.

6.1 The General Line of Finnish Environmental Policy in Brussels

Finnish environmental policy makers have a surprisingly uniform and positive picture of Finland's performance in the environmental policy of the European Union. Our interviewees regard Finland as a Member State that strives for a high level of environmental protection. Finland's actions are considered pragmatic, realistic and, above all, results-seeking. Only a few critical comments on the Finnish line and basic policy were voiced. Realism and a pragmatic approach seemed to be Finland's conscious choice. The domestic interviewees were particularly proud of this position.

The analysis of the five case studies partly supports the Finnish policy makers' views of Finland's realistic and productive-seeking line. As President of the EU during the second half of 1999, Finland aimed very actively at compromise solutions when negotiating the LCP and SEA Directive proposals. Finland did its best to achieve a common carbon-energy tax and avoided overturning the EU carbon bubble in spite of domestic disagreements.

When making a political analysis, however, we must ask ourselves the following: What are the issues in which Finland is flexible? When does Finland defend its national interests very strongly? What are the questions in which Finland attempts to advance European environmental protection? In which cases do national interests take primary importance?

Duncan Liefferink and Mikael Skou Andersen (2000) distinguish three levels at which Member States can actively promote innovations in EU environmental policy. They are (1) the issue level, (2) the conceptual level, and (3) the institutional level. The issue level pertains to concrete environmental questions, decisions that will lead to the formulation of new directives. The conceptual level describes a programme-level policy that includes, for instance, drawing up Environmental Action Programmes (EAP). By the institutional level, Liefferink refers to revisions of the Treaty made at the Intergovernmental Conference (IGC) that alter institutional conditions for promoting green politics in the EU.

According to the case studies, Finland's position differs at all these levels. Generally speaking, Finland seems to have three main, sometimes contradictory, interests in its EU environmental policy. These are (1) improving the state of the environment in the EU, (2) ensuring that improvements do not create economic costs for Finland, and (3) keeping Finland at the heart of the integration process. These interests are much less confrontational at the conceptual and institutional levels than

at the issue level. As a strategy, environmental protection seldom meets with much resistance. Resistance only begins when real money is at stake. The Ministry of the Environment (ME) has a freer hand to be active in issues that do not directly imply an economic burden.

Consequently, Finland's performance in the area of environmental policy is far more ambitious at the conceptual and institutional levels than at the issue level. Indeed, at the conceptual level, Finland has a relatively good reputation as a promoter of environmental integration, as a developer of the sixth EAP, and as an advocate for the inclusion of environmental issues in the EU Northern Dimension programme. Of these areas, promoting sector integration especially has to be considered an extremely remarkable accomplishment. At the institutional level, Finland belongs to the group that actively supported the inclusion of the environment in the Amsterdam Treaty and it worked hard for the Sustainable Development Strategy as President of the Council.

However, at the issue level, it is "permitted" to depart from consensus seeking or from high environmental protection goals if a proposal were to cause too heavy an economic burden on Finland. Whenever there were significant financial interests at stake, the environmental interest was relegated to a secondary position. Good examples of this were the sharing of the "carbon bubble" or Finland's position on amendments made to the WFD proposal by the European Parliament. In these cases, Finland took a tough stand defending its national interests. During the negotiations on dividing the burden of the bubble, "a successful negotiating result" no longer meant a success for the environment but rather a smaller burden to the national economy than that which had been feared beforehand. It can be regarded Finnish efforts to export environmental policy concepts as a cheap way to make a good appearance as a "forerunner" in the area of EU environmental policy. However, as Duncan Liefferink and Marielle van der Zouwen (2001) point out, that it may perhaps be cheap, but by no means always easy.

According to our case studies and interviews it seems that Finland acts as a defender of European environmental interests only in cases that do not hamper Finland's competitiveness and do not cause any other economic sacrifices for the country. This was especially the case when negotiating on the SEA and LCP⁸ directive proposals. In other words, Finland's goal has been to find a solution that is environmentally as ambitious as possible yet which, at the same time, does not cause an economic burden or administrative problems for Finland. Not even our Finnish interviewees were able to cite any examples in which Finland would have supported a stricter environmental policy if the proposal had implied significant additional costs for Finland. The forerunner countries, including Finland, seem to lay particular stress on developing national legislation first and only then aiming at raising other countries' environmental legislation to their own level (hypotheses 5 and 9). Consequently, national legislation is still more important than the EU's interests in the development of Finland's environmental legislation. Obvious exceptions to this were changes made to national legislation as a result of the membership, especially in the case of laws involving nature conservation.

Because Finland's environment legislation has traditionally been relatively stringent, Finland can, with reason, be considered a green Member State within the EU. Although the green alliances are abstractions, the bloc of six forerunner countries can nevertheless be identified, provided all cases are looked at from a sufficiently broad perspective. In our case studies, the forerunner bloc was formed most clearly in the case of the LCP, in which the green forerunners prevented decision-making during the Finnish Presidency because the proposal was not ambitious enough. The cohesive force of the green alliance is based on the fear that a forerunner would lose

⁸ Also in this case, Finland demanded and got derogations for using peat as an energy source.

its reputation as an advocate of environmental protection. In the long run, this could even harm the economic life of the country. This may partly explain why, in the LCP case, Sweden and Denmark shifted their position at the last moment away from the compromise solution made by Finland as the President towards the green bloc. In this case, the forerunner coalition proved to be more attractive than the Nordic coalition.

According to our case studies, Nordic cooperation was surprisingly weak. Although all the Nordic States aim at a relatively high level of environmental protection, their practical cooperation within the EU is minimal. For instance, during the negotiations on the water framework directive, there was no natural cooperation between Sweden and Finland, even though the countries share fairly similar natural conditions and administration structures. Altogether, our domestic interviewees did not give Nordic cooperation great importance. The accession of Sweden and Finland seems to have alienated the countries from each other, although the importance of Nordic cooperation is often emphasised at the higher levels of political discourse. This contradiction deserves some attention here.

Nordic cooperation has a fairly long tradition. The Nordic Council, which gives recommendations to government, was founded in 1952 (Finland joined it in 1956) and the Nordic Council of Ministers was founded in 1971⁹. Against this background, it is natural that political cooperation would have continued at the EU level as well. The environmental ministers of the Nordic countries get together just prior to every meeting of the Environmental Council of the EU. For a number of reasons, however, the significance of these meetings has remained minor. First of all, the Nordic countries together have only ten votes in the Council, which is far from sufficient to give them significant power in the Council. Secondly, the goals of Finland's EU policy differ considerably from those of Sweden and Denmark. Finland generally gives a lower priority to environmental issues in the EU than do Denmark or Sweden; Finland has a particularly strong interest in not becoming isolated (Lieverink & Andersen 1998b, 263). Thirdly, the Nordic bloc is afraid of irritating the other Member States, just as close cooperation between the southern States often irritates the Nordic bloc. Thus, the reasons for organising the meetings between Nordic ministers as well as the importance attached to them stem from a historical background rather than from their actual importance. However, for Norway, the meetings are important because they allow Norway to present its interests through Nordic cooperation.

Finland has attempted to take possible implementation problems into consideration at the beginning of the decision-making process. According to our interview material, Finland tends to have more reservations at the beginning of the process than do other countries. The reasons for some of these reservations are tactical. They can be removed rapidly as compensation for conceding some other point that Finland finds difficult. One reason for the great number of reservations presented at the Council's working party phase is tight schedules. Another is Finland's desire to ensure that no sufficiently serious implementation problems remain that might lead to Finland's facing unwelcome consequences at the Court.

Finland, like all the other Member States, defends its national interest by appealing to exceptional national conditions. An exceptional condition can be a natural condition, an exceptional production structure, or a different administrative structure. In most cases, the problem is real but, behind such "difficult circumstances", there is the unwillingness to face additional costs. Thus, in some cases, a national financial interest can be defended covertly by appealing to special circumstances. It is important to note that it is far easier for Finland to appeal to special circumstances than for any other Member State because of Finland's geographic position in the periphery of the EU. Because of that the arguments

⁹ During the Cold War, Nordic cooperation was especially important for Finland, which was in constant danger of being stigmatised as vassal state to the Soviet Union.

presented by Finland are more difficult to oppose with counter-arguments. However, this does not mean that Finland would be cheating by using its location as a bargaining chip. All Member States appeal to special circumstances and they all have to use well-founded arguments when justifying them.

The Presidency period was a real test for Finland's EU environmental policy because the environment was one of the areas that was emphasised throughout. Finland put many politically difficult environmental issues (such as the SEA Directive proposal) on the agenda. On the other hand, at the beginning of Finland's Presidency, the Commission was in the last year of its term and thus the Commission's agenda had been almost completed. Thus, Finland had a very small range of choices from which to choose those issues that it favoured. In addition, a crisis occasioned by suspected financial malpractice led to the Commission's dissolution. This caused a break of several months in the normal working of EU institutions.

Finland's Presidency has usually been regarded as a successful period from the viewpoint of environmental performance. During its Presidency, many significant environmental policy questions moved ahead. For instance, directives on end-of-life vehicles, benzene, and strategic environmental impact assessments were adopted during Finland's Presidency. Of course, this is not only Finland's achievement but also a success for the entire Community. However, even the usually critical EEB gave Finland credit for its successful performance in the area of environmental policy during the Presidency:

Finns get a better grade than the Germans because they tried so hard. We liked them. In some cases, such as openness and the flow of information, they did really fine work. (John Hontelez, Secretary-General of the EEB, in an interview by Helsingin Sanomat December 31, 1999, HS 1999)

Furthermore, the Helsinki European Council (December 10–11, 1999) invited the European Commission to prepare a proposal for a Sustainable Development Strategy for the Gothenburg European Council in June 2001. As a President of the EU Finland contributed significantly to initiate working on the Strategy. On the other hand, environmental achievements of Helsinki Summit have also been criticised. In the "Declaration of Millennium" adopted by the Helsinki European Council, environmental issues were addressed in only two sentences. The original intention was that climate issues, energy taxes, and environmental matters of the Northern Dimension would be in the limelight during the Summit. These questions, however, did not fit into the overloaded agenda of the Summit. The practical significance of the Declaration is perhaps low but the minor status given to environmental issues in a long-run programme reveals something of the subordinate status of the environment in the face of more important political questions.

A central feature of Finland's performance during its Presidency was its attempt at reaching a final outcome in the environmental policy sector as well as in other policy sectors. Finnish performance in environmental questions was not regarded as a partial policy but as a sincerely compromise-seeking policy style. Finland did not attempt to raise its environmental political status at the expense of consensus. In its general strategy, Finland felt confident that national interests would best be achieved as a by-product of the fulfilment of pan-European interests. This was a conscious choice that was in harmony with Finland's political heritage. During the Cold War, a special role developed for Finland as a mediator between the West and the East; in domestic policy fields, the perception was that this role would serve Finland's national interests indirectly. In the EU environmental policy during the Finnish Presidency, this mediator role was somewhat easier because there were no environmental matters on the agenda that would have been especially difficult for Finland itself. The environmental issues included in the agenda did not imply any inter-ministerial conflicts or disagreements between interest groups, any essential

legislative changes, or any financial costs. In addition, Finland followed quite logically the Scandinavian principle of transparency that became apparent in the extensive use of the Internet in disseminating information. For instance, Finland began to publish the agendas of the Council meetings on its home pages. This was completely unheard-of in the EU. Finland's efforts at increasing public awareness during its Presidency earned it an award from the European Information Association.

In two of our case studies (the carbon-energy tax and the SEA Directive), Finland had anticipated EU legislation at the national level. In these cases, and especially in the carbon-energy tax, Finland's aim at achieving first mover advantage (hypotheses 5) had accelerated the development of national legislation. Accordingly, the failure to accomplish an EU-wide common carbon-energy tax caused a backlash in Finnish legislation.

6.2 The National Level: Effective Finland

According to our case studies, the character of national coordination is defined by the following questions: Does the adoption of a new environmental law/target lead to economic costs for Finland? Is it inconsequential for the Finnish national economy or does it improve Finland's competitiveness? The SEA Directive did not incur economic costs for Finland and neither would have the LCP directive had it been adopted. On the other hand, the agreement on Finland's share in the EU bubble was economically very important to Finland. In fact, at the time of the negotiations, it was felt to be even more important than it is today. In contrast, the adoption of the carbon-energy tax would have reduced the competitive disadvantage that national taxes would have caused.

This criterion had a significant effect on how independently the Ministry of the Environment was able to represent Finland's position. In the case of the LCP and SEA Directives, the ME had free rein whereas the goals of Finland's share in the bubble were negotiated in cooperation with the entire Government. The ME's hands were "free" in that the civil servants in charge of preparation at the Ministry had quite a lot of leeway. The highly technical nature and complexity of the EU environmental issues require that the participating persons have extensive expertise in their own field. This excludes elected politicians from real decision-making and gives the advantage to national and supranational bureaucrats.

As for technical questions, the civil servants involved in the preparation have a crucial role, not only in comparison with the Members of Parliament but also with their own ministers. The minister's role in national coordination acquires a key position in questions which have long-term political impact or in which there is internal dissension within the government. On the other hand, the agendas of the Environment Council by no means always contain matters that attract attention on the governmental level. The lower the priority of an environmental issue is, the more closed the group is which makes the actual decision (hypotheses 4 and 22). In these questions, the freedom of the civil servants in charge is based on the confidence they enjoy in the other ministries.

The influence of interest groups in national coordination was surprisingly low, at least when it took place through official channels. Sub-Committee 23 is responsible for the national coordination of EU environmental matters. The Sub-Committee has also a broad composition and, as such, is open to interest groups. Officially influencing Finland's opinion through the Sub-Committee seems to be just a formality and the Sub-Committee is a place for exchanging information rather than a real channel for interest groups to affect decisions. The opinions of the ENGOs have not been taken especially seriously in Sub-Committee 23. This does not mean that the civil servants of the various ministries would not have wanted to listen to the ENGOs. The problem is that the Sub-Committee processes arrive at a fairly late stage and interest groups are usually given the

needed information only at the last moment. Thus, it is not surprising that the opinions of the ENGOs may sound “foolish”, as one of our interviewees put it.

The principal importance of the environmental movement does not seem to be its influence on the subject matter but, rather, the “balance of terror” that they maintain. Every now and then, the environmental administration needs the very critical opinions of the movements in order to get an idea of the reasonableness of its positions. The environmental movement is well aware of the importance of this task. Consequently, it seeks to support the ME rather than to change or challenge its positions.

The comments of the industrial coalition are usually quite intense when it comes to new laws that might occasion it additional financial cost. In the negotiations on the sharing of the bubble, however, the industrial lobby did not succeed in lightening Finland’s negotiation position. In spite of this, the industrial lobby was able to affect the way in which the amounts of emissions are determined. Thus, bargaining moved from the objective itself to the method of calculating the emissions. However, the economic and environmental interests were not in conflict in all case studies. Both interests were most clearly the same in the case of the carbon-energy tax. When negotiating the LCP Directive proposal in the Council, industry even served as a source of information for the environmental administration.

Nor did the role of the Parliament emerge as significant in any of our case studies. According to the interviewees, it seems that the Grand Committee had very rarely anything to say about the positions prepared by the Government, even though the Finnish environmental committee of the Parliament is exceptionally active. The strong formal position of the Parliament is based on the willingness to respect the heritage of democracy rather than on the assumption that Parliament can influence the various cases of EU environmental policy. On the other hand, the Members of Parliament mostly influence the preparation of EU matters through direct unofficial contacts. These unofficial channels were evaluated as far more important than official ones. In addition, it must be noted that, although Parliament has not intervened in individual environmental policy questions, its role has been considerable when Finland has refined its IGC negotiating positions.

Information between ministries usually flowed without any difficulty. This flow was based on established relationships between civil servants of the different ministries. Just as in the interaction between ministries and interest groups, cooperation through unofficial contacts between ministries was far more important than official meetings. The processing of EU matters became routine. In cases where no essential changes were required in national legislation, the ME received only a few comments from the other ministries. According to our interview material, however, there was some breakdown in communication. In the case of the carbon-energy tax, the Ministry of the Environment sometimes even got information from the media first and only later from the Ministry of the Finance. One possible interpretation is that the status of the ME is still lower than that of the so-called “hard” ministries. On the other hand, the ME itself was accused of concealing information during the negotiations about Finland’s share in the EU bubble.

Generally speaking, however, the rare breakdown in communications between the ministries is the result of busy schedules. Sandra Pellegrom (1997, 43) suggests that the environmental ministries of many Member States avoid openness and coordination with other, unfriendly ministries in the hope that the latter’s objections will be put forward too late. It is highly unlikely that this would be the case in Finland. In spite of relatively minor communication problems, the national coordination system was considered to be effective and successful in all aspects (hypothesis 21). Our domestic interviewees regarded the Finnish method of preparation as excellent, one that “guarantees the careful preparation of matters”. Coordination work is facilitated by the widespread consensus on Finland’s general position. When the general line is clear, it is easier to formulate Finland’s position in the various sections of policy.

out of 37). The opposition has always consisted of a single country. Finland has never been in the opposition or abstained from voting. The countries that have voted negatively in the environmental field are the Netherlands, Sweden, Italy, and Denmark. Italy has abstained from voting three times, Belgium once.

It is obvious that no in-depth conclusions can be drawn from the rare actual votes in the Council. Far more important are both the “shadow of the vote” and the numerous informal ways of affecting EU environmental policy. However, voting behaviour contributes to the understanding of Finland’s general policy style. Finland’s voting behaviour implies a willingness to remain at the centre of the integration process. According to comparative data, the difference especially between Sweden and Finland is clear. Finland seeks to avoid open conflict in cases that are known to be lost anyway. In the light of this, Finland seems to have taken a role of “an exemplary pupil of the class”.

The Finnish negotiators themselves consider the lack of negative votes as a sign of their successful policy. This notion is supported by the fact that Finland has never been isolated in the qualified minority where Finland had no influence on the result. Finland has always been part of the group that has made the real decisions. According to Finnish negotiators, Finland’s special circumstances and economic interests have always been taken sufficiently into consideration. Consequently, there has never been any need for a negative vote. From this perspective, Finland has always “won” sufficiently on every environmental question. Finland’s EU strategy has always been to advance European integration and to present unsatisfactory proposals as positive issues, as long as the points that may incur economic costs for Finland are taken into consideration.

On the other hand, the small number of negative votes shows how successfully Finland has sold its arguments in order to protect its economic interests and special circumstances in Brussels. From a critical standpoint, Finland’s ambition has been lower than that of the other Nordic States. As mentioned earlier, Finland tends to give a lower priority to the environment than do Sweden and Denmark. Giving a negative vote in the Council is, however, never firm evidence of ambitious environmental policy. In many cases, it is rather an indication of a Member State’s attitude to the European integration itself. In Finland (unlike in the other Nordic States), there is a political consensus about the necessity for integration. This gives Finnish negotiators more freedom to be flexible. In the other Nordic States, it is essential to indicate to domestic EU critics that both national interests and stricter environmental standards have been strongly defended in Brussels. The small number of negative votes, however, offers a picture of Finland as an obedient and dutiful Member State. The appropriate implementation in Finland of directives supports this interpretation.

The tables above illustrate the differences between Member States in implementing environmental directives and directives generally. This is not the place for an in-depth analysis of implementation rates, however. Nevertheless, we can state that the Northern Member States implement the directives more conscientiously than do the Southern Member States. However, this division is by no means clear. For instance, Germany seems to have more trouble than Spain especially when it comes to the implementation of environmental law. Interestingly for this study, Finland has been relatively conscientious and scrupulous in the implementation of environmental directives, directives of other policy sectors and even recommendations. For instance, in 1994, the levels of environment-related energy taxes were already very close to the first-year tax rates the EU had suggested in its original proposal for 1993 (Bragge 1997, 86).

Table 10.: Notification¹¹ of National Measures Implementing Directives. (Percentages Notified, Situation December 31, 1998)

All directives (Total 1470)																
BE	DK	DE	GR	ES	FR	IR	IT	LU	NL	AU	PO	FI	SW	UK		
94.7	98.2	96.7	93.8	97.4	94.4	95.5	93.6	94.2	96.6	95	94.8	97.1	97.0	96.4		
Environmental directives (Total 145)																
Access to information. (1)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
EIA (1)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Air (15)	93	100	93	88	88	93	87	87	93	100	93	88	100	96	87	
Water (22)	100	96	91	96	100	96	96	91	100	100	91	96	100	96	96	
Nature (12)	100	100	100	92	100	92	100	100	100	100	100	100	100	100	100	
Noise (24)	96	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Chemicals & Biotechnology (42)	86	100	98	96	100	100	100	100	98	100	100	93	100	100	98	
Waste (16)	82	94	94	82	94	94	100	88	100	100	94	88	100	100	82	
Environment & Industry (6)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Radiation protection (6)	100	100	100	100	100	100	100	100	100	100	100	100	100	84	100	

Source: The Commission's XVI Annual Report on monitoring the application of Community law 1998. (http://theEuropa.theEU.int/comm/secretariat_general/sgb/infringements/report98_en.htm)

Why has Finland implemented environmental laws so well? There is no single answer but one key reason is the fact that Finland's coordination system in EU-matters is relatively advanced. According to our interview material, there is no serious breakdown of communication between the negotiating bodies in Brussels and implementing bodies in Helsinki. The flow of information between the ministries usually functions without difficulty. That is in keeping with Finland's aim at openness in policy-making. Even though the Finnish Parliament has no significant influence on Finnish positions on EU policy, its strong formal position in the phase of national coordination is another central administrative reason for its exemplary record. Intensive participation of the Parliament in national coordination facilitates, at least in principle, the implementation of directives because Parliament is familiar with the matters already decided at the EU level. (See also Jääskinen 2000, 126).

Besides the administrative structure, the relatively high rate of implementation can be seen in Finnish policy style and EU policy goals. As mentioned earlier, Finland seeks to avoid conflict at every stage in its European policy. Finland's goal is to remain at the heart of deepening the integration process. A relatively high level of environmental awareness at both the public and the official levels have undoubtedly made implementation easier. Other reasons can be found at an even more abstract level. The Finnish national character has always included conscientiousness and sincerity, characteristics that manifest themselves by making it a point of honour to obey even unpleasant laws.

6.4 The Commission Level: Invisible Finland

In the previous section, we examined Finland's actions in the Council that is the official arena of influencing for Member States. However, the formal Council

¹¹ Measures notified here can still be short of full compliance.

negotiating table is generally not the best place to bring up a novel strategy. At that stage of the decision-making process, efforts usually have to be limited to defending the idea behind earlier efforts. It is rather the Commission phase (i.e. the phase in which the Commission drafts new policy proposals in close interaction with both experts from the Member State governments and the interest groups) where the basic approach of new policies is determined and new initiatives should be put forward. Meetings of experts from the Member States are the most obvious arenas for this. (Liefferink and Andersen, 1998b, 265). Other ways of influencing the Commission are distributing written statements at strategic moments as well as ‘infiltration’ of the Commission personnel, either as permanent staff or as temporary national experts (see section 2.4).

How has Finland used these unofficial channels of influence? The case studies reveal little because all the case studies are from the era before Finland’s EU or ETA membership. Finland succeeded in establishing some minor changes in the formulation of the Commission’s proposal in the Commission’s expert groups. For instance, Finland got derogations from the LCP Directive when peat is used as an energy source. In this case, influencing was not based on environmental concerns but on the fact that the derogation carried economic benefits for Finland. In the formulation of the SEA proposal, Finland sought to utilise the know-how from its national experience and research. Although unsuccessful, the attempt must be considered as important.

Taken as a whole, however, Finland’s efforts at the beginning of the processes and in highlighting its own initiatives have been minimal. These are Finland’s real weaknesses as a forerunner in the field of EU environmental policy. Finland’s relatively minor attempts at influencing the Commission’s environmental policy became apparent at least in following six ways.

(1) The Finns are not visible in the working groups of the Commission

We don’t see Finnish people in the Commission very much. Should it happen that a Finn arrives in the working groups, he will be merely a private person. It is likely that the meaning of these working groups is not emphasised in Helsinki enough. (A representative of the Commission)

Finns do not actively take part in the Commission’s unofficial expert working groups, despite the fact that these groups are important places where new policy initiatives are planned. From the viewpoint of the Commission at least, these working groups are far more important than the Council’s working parties, where issues are already formulated on the agenda. If a country – Finland or any other country – wants to be a major player, then it has to take an active role in these groups. In the expert working groups, an influential Member State has to know the people who are running them (and their needs) and to contribute its expertise in the most positive way possible.

If a Finnish representative participates in the expert groups, he is more likely to appear as a private person and rarely brings any message from the Finnish Government to Brussels. Instead, he is there to inform the Finnish ME about what is happening in the Commission. The UK, Germany, Denmark, and Sweden are generally mentioned as the most active countries in the expert groups. The difference between Finland and these countries is considerable. Indeed, Finland concentrates its resources on the Council’s official meetings and working parties. This is naturally important but not sufficient if Finland wants to call itself a “forerunner” in the area of environmental policy.

- (2) Finland's policy networks and "sub-structures" based on personal contacts within the Commission are weak.

If you stay in Helsinki and don't come down here, you shouldn't be surprised if your voice isn't heard. (...) People who want to influence us usually come knocking on our door. (A representative of the Commission)

Finland has only one high-level post in the Environment DG, whereas Belgium, which is approximately the same size as Finland in terms of population, has six head-of-unit-level or higher posts in the Environment DG. The Commission's head-of-unit level personnel can also be used as a contact route in matters that are not included in their duties. Moreover, it has to be remembered that, even if the Commission's personnel do not officially represent any country's interests, the situation in practice is different. Issues important to one's home country are always better known and more relevant to oneself. Matters can simply be blocked if they have no natural defenders in the Commission.

The importance of the nationality of the directors in charge of the Commission is one thing. It is also a fact that Finland rarely sends unofficial delegations to these directors to talk about issues which are important to Finland. The unit heads in the Commission never refuse such meetings because they are also an excellent lobbying opportunity for the Commission who want to make sure that the positions of the Member States are unwavering. The impact is most effective when Member States offer the Commission their assistance and resources for performing a task. In order to be credible, the national delegation must have the full support of its government. The heads of units in the Commission tend to doubt Environment Ministers of several Member States when these Ministers assure them that their entire government supports their position. The Environmental Ministers should not lose their credibility in this matter.

The Commission itself neither has the time nor the resources to wander around the Community listening to people. Therefore, Member States have to be proactive and use the channels of influence through personal contacts. The importance of knowing people and of developing contact networks is a fact of life in the Community. Many of our interviewees who serve the Commission emphasised this. Naturally, it takes some time for new Member States to build up well-functioning networks within the Commission. The lack of a network of contacts cannot, however, be excused by Finland's short period as a member because, according to our interview material, Austria and Sweden have been far more active in this regard. Finland sought to create personal contacts during its Presidency but was not effective enough.

- (3) The flow of information between Finnish national experts and the Finnish Government is one-way.

The experts do not like to be influenced by them. They are doing the Commission's work, not looking after our interests there. (A representative of the Finnish ME.)

Although national experts are sources of information for the ME, the ME does not seek to use national environmental experts to feed the Commission with issues important to Finland. In addition, the experts usually give information to the ME on their own initiative. As a rule, unlike those of Great Britain, Austria, and Sweden, Finnish national experts have fairly little contact with their capital. In other words, in spite of their strategically important position, national experts do not act as a channel of influence from Helsinki to Brussels.

(4) The Commission is often seen as an opponent by Member States

Finnish civil servants that are working around the Council see the Commission as if it were an opposing party, not an ally. It must merely be their negative attitude towards what the Commission is presenting. (A representative of the Commission.)

Perhaps surprisingly, the Commission was quite often seen as an opponent to the governments, not as a servant or mediator between the Member States. The Commission's course of action and the content of its proposals were criticised by many interviewees, whereas the Commission's role as a mediator between the different institutions and positions of the Member States was not respected. The Commission's role is not limited to making initiatives; it is important throughout the entire process. Probably the cross-institutional dynamics of the Commission have not been understood clearly enough.

It is noteworthy that Finnish environmental civil servants see no problem in Finland's not seeking to influence matters at the beginning of the decision-making process. According to them, making initiatives is a task for the Commission and developing influence in the Council is the normal course of action for a Member State. An attempt to have systematic influence on the Commission's policy is regarded as inappropriate for a Member State. According to our research material, it seems that sticking to official channels of influence is a feature of Finnish environmental policy.

(5) It has not been possible to assess the Finnish Commissioner Erkki Liikanen's support in environmental matters.

We would have hoped that he would have been more sensitive and understanding to environmental concerns. We would have hoped that he would be receiving a certain amount of pressure, certain amount of briefing, certain amount of orientation from Finland....When did your Environment Minister last send a briefing to Mr. Liikanen to try to encourage him? Remember that he is a Commissioner whose vote counts for as much as the Environment Commissioner in the final approval of some issue. (A representative of the Commission)

Within the Commission, as it often is in politics, there are certain tensions between enterprise policy and environmental policy. There have been hopes that, as a former Budget/Personnel Commissioner and a current Enterprise and Information Society Commissioner, Mr. Liikanen would give more support to environmental objectives because he comes from a "very environmentally-aware country". In our interviews, the suspicion emerged that the Finnish Minister of the Environment and the Finnish Permanent Representation do not seek to influence the Commissioner in order to secure support for the environment within the Commission.

(6) The lack of strategic planning on how to improve influencing the Commission

In Finland, no strategic plans have yet been developed on how to improve Finland's influence on Commission policy. Although actions designed to influence the initiation of proposals by the Commission would be regarded as being important, such influencing must be well planned. Dealing with earlier matters on the agenda (those that have not as yet been treated) demands simultaneous activity in different institutions as well as collaboration with other Member States. According to our interviewees from the top level of the Commission, the lack of a strategic overview manifests itself in incoherent and modest attempts to influence the Commission. It has been estimated that the minor support given to environmental policy by the single Finnish Commissioner results from a lack of a comprehensive environmental strategy.

In Sweden, at least, studies have been made on how to improve national influence on the Commission. As early as in 1996, the Swedish Ministry of the Environment conducted a study on the other Member States' evaluation of Swedish environmental policy (Vad Säger Andra....1996). In 2000, new research was published which studied in closer detail how Sweden might increase its effectiveness in influencing the Commission (See Fallstudier....2000). The results of the study recommended more long-range planning as well as more political and more strategic environmental work within the EU. The study also emphasised close collaboration between political bodies and experts engaged in technical work. It was believed that reducing the division of responsibilities between the technical and political sectors of EU environmental work would improve Sweden's possibilities of getting previously undealt-with questions on the Commission's agenda.

The relatively minor level of activity by Finland at the beginning of the decision-making process has the effect of making Finland's environmental policy in the EU clearly reactive. In other words, Finland tends to react to matters that have already been put on the agenda of the Environmental Council. This could be described as an incrementalist environmental policy style. According to our foreign interviewees, Finland does not aim at taking the initiative in any environmental issues. Nor were domestic interviewees able to mention any examples of Finland attempting to feed something to the Commission¹².

6.5 What Do Others Think about Finnish EU Environmental Policy?

In this Chapter, we have gathered a summary of the foreign interviewees' opinions regarding Finland's actions in EU environmental policy. These are mostly the opinions of environmental attachés of different Permanent Representations, although there are also opinions of representatives of the Commission and of environmental groups. According to our interviewees, the typical characteristics of Finland's activities in EU environmental work are pragmatism, realism, conflict-avoidance, trustworthiness, and a lack of national initiative. Of course, these descriptions cannot be separated from each other. For example, it is impossible to be pragmatic but not realistic.

When speaking about "Finnish realism", our interviewees meant, firstly, that Finland aims at a productive environmental policy. Finland does not put forward solutions that it knows would cause problems to other Member States. In this respect, a clear difference was perceived relative to the other Nordic States. In addition, when speaking about the realistic approach, the interviewees referred to Finland's custom of making sure that any new regulations be capable of being implemented. Finland's high implementation rate did not escape our interviewees' attention. Many interviewees, however, regarded Finland's realism as a characteristic of their own country as well.

In this context, pragmatism means that environmental policy matters are based on hard facts. All the interviewees regarded Finland as a country that aims at a high level of environmental protection. Finland does not, however, defend the high level of environmental protection through high moral arguments but through well-justified facts. This strategy was considered to be the only right way when aiming at stricter common legislation. Finland's position in the Council was rarely regarded as being uncompromising. At the same time, many interviewees indirectly criticised some Member States' style of action, particularly Denmark's. According to them, Denmark often presents impractical initiatives for reasons of domestic policy. Argumentation presented by Finns is trusted because it is perceived that no domestic

¹² It has to be noted that (environmental) policy initiatives are usually launched by a cooperation of several Member States. Consequently, it is many times difficult to define the original initiator.

policy objective would underlie the argumentation. According to all the interviewees, Finland never (or extremely rarely) changes its position. This course of action has produced a lot of goodwill from the other Member States.

Finland takes the arguments presented by other Member States seriously, examines them in detail, and prepares for the meetings carefully. Finland does not normally take a strictly negative line to amendments proposed by the other Member States or the European Parliament but tries instead to find a compromise solution. The only clear exception was the country's strict attitude towards amendments presented by the EP to the water framework directive. Although many other Member States also considered the amendments to be contradictory and unrealistic, Finland's tough line defending the Council's common position caused confusion because Finland does not usually act in that way.

Finland's daily activities in the Council were also perceived as quite practical. Finnish communication was described as concise, well prepared and clear. Finns do not beat about the bush but get straight to the point and argue their position as concisely and clearly as possible. In this respect, the environmental civil servants do not seem to differ from the Finns' general manner of arguing.

Finland was considered to be more Europe-oriented than the other Nordic States. Representatives from other Member States considered that, for Finland, advancing European integration is, in many cases, more important than its national interest. Finland did not seek to use its Presidency for promoting national interests. As the President of the EU, Finland was considered as treating every Member State equally, although the Southern European states feared that the agenda would focus on matters that tended to be more important to the Nordic States. In all respects, Finland's term of Presidency was described as business-like and well organised. The publication of documents was appreciated both for practical reasons and for supporting the principle of transparency.

Although Finland supports the European integration process and aims at compromise solutions suitable for everybody, Finland defends its national interests without hesitation. It was emphasised that Finland is located on the periphery of the EU and has a great many problems that are structurally unique to Finland and that are based on distinctive natural conditions. By appealing to these, Finland often presents amendments to the Commission's proposals. It was assumed that Finland gets its way far more easily than do other peripheral Member States (such as Greece) because Finland's extraordinary natural conditions are not as precisely known as their own. However, other interviewees had great trust in Finland's arguments.

Finland's realism, pragmatism, willingness for compromises, and support for European integration was contrasted with the country's lack of national initiative. Finland was described using words like "polite", "frank" and "subtle", partly in a negative sense from the standpoint of ambitious environmental work. Finland does not seek to push issues at the European level if it is not sure that they will work. The interviewees were not able to mention any examples where Finland would have acted as a driving force for European environmental protection.¹³ Finland was seen as having the same advanced Northern tradition as Sweden and Denmark but acting instead as a supporter of these countries. For instance, in the case of acid rain policy, it was mentioned in three interviews that Finland was a supporter of Sweden. On the other hand, Finland was not considered to be naïve both politically and environmentally as was Sweden at the beginning of its membership. In a couple of instances, reference was made to Finland's initiative as well. These involved promoting environmental integration into other policy sectors in a concrete way and its contribution to the preparation of the sixth EAP.

¹³ Note: Some interviewees seemed to be sorry that they could not mention any examples.

Environmental activists both in Finland and in Brussels presented similar criticism. They felt that Finland's policy is too quiet and reactive for Finland to be regarded as a promoter of European environmental policy. According to them, Finland usually belongs to the group that demands stricter environmental standards. Finland, however, does not energetically champion new initiatives when compared to many other countries whose politics were not considered as especially "green". Finland's pronounced willingness to produce results during its Presidency at the expense of the level of environmental protection was also criticised. The compromise proposals on the LCP Directive, End-of-Life Vehicle Directive, and the Waste Incinerator Directive were disappointments to the EEB.

Finland's environmental policy was not considered to have changed significantly during the first six years of its membership in the EU. None of the interviewees recognised special changes in Finland's politics, although Finland was considered to be logical in this respect as well. Nor have the changes of government and the Minister of the Environment altered the character of Finnish politics, although the current Environmental Minister is considered to be a little more aggressive than her predecessor. Minister Hassi's tough attack against Germany because of its abandonment of the compromise proposal for the LCP Directive was considered to be especially surprising.

Overall, the opinions of foreign interviewees regarding Finland in the context of EU environmental policy did not differ significantly from the picture formed by Finns itself. As was to be expected, the environment organisation EEB criticised Finnish action more than did the environment attachés, who are used to more diplomatic ways of doing things. Finnish policy makers, however, seem to have a fairly realistic view of Finland's position as an actor in environmental policy in the EU.

6.6 In Conclusion

The effect of the EU membership to Finnish domestic politics has been two-sided. On the one hand, it is evident that the membership in the Union has given rise to severe pressures towards Finnish environmental policy. It is possible that the adoption of the EIA law, integrated pollution control, and many new activities in the areas of nature protection, agricultural pollution and waste sector would not have been politically feasible without pressures from the EU. On the one hand, EU has caused some problems to the Finnish higher standards, such as carbon taxation.

The EU membership has strongly shifted the "agenda setting" and "problem definition" stages of the policy process from the domestic level to the EU-level. Impulses for renewing environmental legislation come mainly from the EU. Together with a relatively minor level of activity by Finland at the beginning of the decision-making process this has the effect of making Finland's environmental policy more reactive than before the EU membership. In Finland it has not been questioned that the directives must be implemented.

Prior to its entry into the EU, Finland had harmonised its environmental legislation with that of the EU. At the same time, upcoming EU environmental directives were anticipated when national legislation was developed. In membership negotiations between Finland and the EU, Finland acted strongly to reserve for itself the right to maintain stricter environmental standards than those prevalent in the EU.

At the beginning of its membership, Finland's environmental profile and the profiles of its other policy sectors were low. Joining the Union was important for Finland both for economic and security reasons. Taking this fact into account, it is understandable that Finland took a flexible and positive general line at the beginning. A new Member State jumps into the Union like onto a moving train. In the early stages, a new Member State has to harmonise its legislation with that which had been

passed on issues that had had been prepared prior to its membership. After six years of membership and a term in Presidency, it is now possible to evaluate the type of environmental policy Finland has pursued in the EU.

Finland's principle seems to be that of a country that does not usually resist raising the level of environmental protection. Generally, the entire government takes a positive attitude towards proposals that improve the level of environmental protection. The only exception occurs when some special circumstances, such as unique natural conditions, cause excessive problems for Finland. Appeals to special circumstances have, however, often been used as a disguise for defending national interests.

Even though Finland has usually not resisted a more ambitious environmental policy in the EU it does not mean that Finland would promote it actively. Finland's input especially in the beginning of the policy process has been relatively minor. Because of that Finland's role as an EU environmental policy forerunner can be questioned, or that is to say, from a forerunner it could be expected more innovative and proactive position in the policy process. Influencing on the Commission demands changing the accent from the Council's working parties to the Commission's working parties and from formal negotiations to informal interactions between the Commission and Finland. This is by no means an easy task and requires a lot of resources but, according to results of this study, it is highly recommended if the reputation of an environmental forerunner is wanted to be maintained.

Both the domestic and foreign environmental policy makers interviewed for the study considered Finland as being a fairly flexible, pragmatic, realistic, and compromise-seeking Member State. The argument of "realistic pragmatism" is very strong in Finnish policy. Finnish environmental policy is not at all moralistic or idealistic but, rather, results-orientated. On the other hand, an effort is made, consciously or unconsciously, to use arguments based on realistic pragmatism to silence voices that demand more innovative, more elevated, and more ambitious levels of environmental protection. In such cases, the results-seeking line can rebound upon itself.

The strategy of realistic pragmatism has been internalised so deeply that, in some cases, we are justified in speaking about political naïveté. Finnish policy seeks to avoid political confrontation. Environmental issues are seen as technical questions rather than as the subject of political confrontation. This strategy makes Finland a popular negotiating partner. Finns behave as if environmental policy were not political strategies at all but only numeric facts instead. For instance, when the LCP Directive proposal was overturned, Finns were astonished and even frowned upon the introduction of the political dimension into decision-making. According to Finns, issues should be decided on the basis of facts and everything political is suspected of being two-faced and thus sometimes perceived as objectionable. Another aspect of Finland's political naïveté is the fact that Finland concentrates on official places and institutions of influence. Unofficial contacts are not regarded as part of policymaking and attempts to influence the Commission are rarely made because its right of initiative is respected. Moreover, the Finnish Permanent Representation does not seek to influence the positions of the Finnish MEPs by presenting them Finland's national position at the beginning of the process at the EP.

Finnish policy style has been welcomed by the other Member States. Finland is regarded as a reliable and easy negotiating partner. The crucial question is how Finland is going to use the goodwill it has built up with the other Member States. Acquiring goodwill as such cannot be the goal of any Member State.

For Finland, a sparsely populated country on the periphery of the Union, the question remains: does it have enough political and economic clout to be able to influence EU policy formation (hypothesis 17). Even though such a Member State may have little influence around the negotiating table, economic, social, and ecological interdependence between Member States add nuance to this picture.

According to Keohane and Nye (1987, quoted in Dahl 1997), asymmetries between state dependencies provide advantages in various bargaining situations. Most of the decisions made in the EU are probably not of the same importance to all Member States (Mattila & Lane 2000). For example, decisions concerning the allocation of fishing quotas on the Atlantic Ocean are of little practical importance to Finland, whereas they may be of crucial importance to some other countries. Conversely, the inclusion of the Baltic Sea in the EU's Northern Dimension Programme must be of little importance to countries like Spain and Portugal but are critical to Finland. In addition, at least as a modest forerunner in EU environmental policy, one might expect Finland to have better knowledge and greater domestic experience that could be transferred to the EU level. For these reasons, Finland's small size, small economic influence, or small voting power in the Council are not obstacles as far as European environmental work is concerned.

Finland has a fair chance of changing its environmental political profile. Its term in the Presidency may turn out to be a turning point for European environmental policy in Finland. Raising the environmental profile depends on willingness, ability, and possibilities. The Presidency improved the two latter preconditions. During the Presidency, contacts between the Finnish administration and EU institutions increased considerably. Close collaboration with other Member States and EU institutions created a contact network for Finnish environmental policy-makers. This also increased Finland's chances at influencing environmental policy in the EU through channels other than those of the Council. It can be estimated that Finnish European know-how has also increased due to its Presidency. Finns prepared themselves for the Presidency with an extensive training programme. More important than this, however, was the experience of being at the core of the decision-making process. In addition, the Natura programme, which overshadowed Finnish environmental performance in the early stages of membership, no longer hinders the progress of Finnish European environmental policy.

Does Finland have the willingness to increase its environmental policy activity as its conditions get better? Does the "exemplary pupil of the Union" want to move to the forefront of opinion leaders? There are signs that this may be the case. In many current strategy papers for the near future, the EU is defined as the most important action field for the Finnish ME. To carry out this strategy, the position achieved during the Presidency must be exploited. Of course, strategies drawn up by the ME alone will probably face various institutional barriers that still exist both at the domestic and at the EU levels. Another possible obstacle is a lack of willingness on the part of other crucial actors. These are factors that may considerably hinder the ME from implementing its good intentions. In spite of these risks, it is a fact that Finland needs a clear and coherent view of its long-term interests and objectives in EU environmental policy, one that is supported by all sections of the administration, not just the ME. According to this study, this kind of strategy could include consideration of the following questions: (1) What is the most effective policy strategy in the Council? (2) How could Finland improve its influence on the Commission and what other routes are available for having the desired impact in Brussels? (3) What are the issues in which Finland should concentrate its activities?

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Documentation page

Publisher	Ministry of the Environment	Date February 2002
Author(s)	Arto Lindholm	
Title of publication	Finland in EU Environmental Policy	
Parts of publication/ other project publications		
Abstract	<p>This study aimed to answer the following questions: 1) What has been the importance of environmental interests in defining the national position? 2) What kind of environmental policy has Finland been pursuing in the Council of Ministers? 3) How has Finland influenced the Commission's environmental policy? The empirical material was based on public documents and 29 interviews. Five case studies were used to do the analysis. These were on the directive on strategic environmental impact assessment, the directive on emissions of large combustion plants, the common carbon-energy tax in the EU, the burden-sharing concerning greenhouse gas emissions in the EU and the framework directive on water policy.</p> <p>According to the results, the national preparation system for environmental matters works efficiently. The unofficial coordination based on personal interactions was, however, notably more important than the official preparation. The impact of Parliament and interest groups on the Finnish position remained minor in the case studies. Other member states considered Finland to be a fairly flexible, pragmatic, realistic and compromise-seeking member state in the Council of Ministers. Finland's environmental reputation seems to be based more on the level of environmental policy goals than on the concrete issues level. Finland does not aim at influencing and formulating the Commission's initiatives very much. This makes Finland's EU environmental policy reactive.</p>	
Keywords	Environmental policy, international co-operation, EU	
Publication series	The Finnish Environment 551	
Theme of publication	Environmental policy	
Project name and number, if any		
Financier/commissioner	Ministry of the Environment, Environmental Protection Department	
Project organization		
	ISSN 1238-7312	ISBN 952-11-1124-0 (nid.) 952-11-1125-9 (PDF)
	No. of pages 95	Language English
	Restrictions Public	Price
For sale at/ distributor	Edita Publishing Ltd, Box 800, FIN-00043 Edita, Finland tel. +358 20 451 05, telefax +358 20 450 2380 e-mail: asiakaspalvelu@edita.fi, www-server: http://www.edita.fi/netmarket	
Financier of publication	Ministry of the Environment	
Printing place and year	Edita Prima Oy, Helsinki 2002	
Other information	Contact at the Ministry of the Environment, Pasi Iivonen phone +358 9 1991 9491	

Kuvailulehti

Julkaisija	Ympäristöministeriö	Julkaisuaika Helmikuu 2002
Tekijä(t)	Arto Lindholm	
Julkaisun nimi	Finland in EU Environmental Policy (Suomi EU:n ympäristöpolitiikassa)	
Julkaisun osat/ muut saman projektin tuottamat julkaisut		
Tiivistelmä	<p>Tutkimuksen tavoitteena oli vastata seuraaviin kysymyksiin: 1) Mikä on ympäristönäkökulman painoarvo EU-politiikan kansallisten kantojen määrittelyssä? 2) Minkälaista ympäristöpolitiikkaa Suomi on harjoittanut ministerineuvostossa? 3) Miten Suomi on vaikuttanut EU:n Komission ympäristöpolitiikkaan? Empiirisenä aineistona käytettiin julkisia asiakirjoja ja 29 haastattelua. Analyysiä tarkennettiin viiden ympäristöasian tapaustarkastelun avulla. Ne olivat strategisen tason YVA:n direktiivi, direktiivi suurten polttolaitosten päästöille, EU:n yhteinen hiili-energiavero, EU-kuplan taakanjako kasvihuonekaasujen päästöille ja vesipolitiikan puitedirektiivi.</p> <p>Tulosten mukaan ympäristöasioiden kansallinen valmistelujärjestelmä toimii tehokkaasti. Henkilökohtaisiin suhteisiin perustuvan epävirallisen koordinaation merkitys näyttää kuitenkin korostuvan suhteessa viralliseen valmisteluun. Eduskunnan ja etujärjestöjen merkitys valmistelutyössä on tapaustutkimusten perusteella jäänyt vähäiseksi. Ministerineuvostossa Suomen toiminnan lähtökohdat ovat korostetun pragmaattisia ja realistisia. Ympäristöpoliittista mainetta Suomi on näyttänyt ympäristöpolitiikan tavoitteisiin suuntautuvalla politiikalla eikä niinkään konkreettisella asiatasolla. Suomi ei pyri juurikaan vaikuttamaan Komission aloitteiden synnyttämiseen ja muotoilemiseen. Tämä tekee Suomen EU-ympäristöpolitiikasta reaktiivista.</p>	
Asiasanat	Ympäristöpolitiikka, kansainvälinen yhteistyö, EU	
Julkaisusarjan nimi	Suomen ympäristö 551	
Julkaisun teema	Ympäristöpolitiikka	
Projektihankkeen nimi ja projektinumero		
Rahoittaja/ toimeksiantaja	Ympäristöministeriö, ympäristönsuojeluosasto	
Projektiryhmään kuuluvat organisaatiot		
	ISSN 1238-7312	ISBN 952-11-1124-0 (nid.) 952-11-1125-9 (PDF)
	Sivuja 95	Kieli Englanti
	Luottamuksellisuus Julkinen	Hinta
Julkaisun myynti/ jakaja	Edita Publishing Ltd, Box 800, FIN-00043 Edita, Finland tel. +358 20 451 05, telefax +358 20 450 2380 e-mail:asiakaspalvelu@edita.fi, www-server:http://www.edita.fi/netmarket	
Julkaisun kustantaja	Ympäristöministeriö	
Painopaikka ja -aika	Edita Prima Oy, Helsinki 2002	
Muut tiedot	Yhteyshenkilö ympäristöministeriössä, Pasi Iivonen puhelin (09) 1991 9491	

Presentationsblad

Utgivare	Miljöministeriet	Datum Februari 2002
Författare	Arto Lindholm	
Publikationens titel	Finland in Eu Environmental Policy (Finland och miljöpolitiken i EU)	
Publikationens delar/ andra publikationer inom samma projekt		
Sammandrag	<p>Undersökningen besvarar följande frågor: 1) Vilken roll spelade miljöhänsyn då den nationella ståndpunkten definierades? 2) Hurudan miljöpolitik har Finland utövat i ministerrådet? 3) Hur har Finland påverkat kommissionens miljöpolitik?</p> <p>Det viktigaste materialet bestod av offentliga dokument och 29 intervjuer. De intervjuade var miljötjänstemän, representanter för andra medlemsländers, personal vid kommissionen samt representanter för olika intressegrupper. Analysen preciseras genom fem fallstudier som var direktivet för strategiska miljöbedömning, direktivet för utsläppsbegränsningen för stora förbränningsanläggningar, en gemensam energi- och koldioxid skatt för EU-länderna, en överenskommelse om en bördefördelning för utsläpp av växthusgas för EU-länderna och ramdirektivet för vattenpolitik.</p> <p>Resultatet visade att den nationella beredningen av miljöärenden fungerar effektivt. Den inofficiella koordinationen, som bygger på personliga relationer, var betydligt viktigare än den officiella beredningen. Enligt våra fallstudier var riksdagens och intresseorganisationernas betydelse ringa. Enligt övriga medlemsländer är Finland agerade i ministerrådet pragmatiskt och realistiskt, relativt smidigt och kompromissvilligt. Finland har nått miljöpolitiskt anseende i mer genom inriktning på miljöpolitikens syfte än genom konkreta åtgärder. Finland strävar knappast efter att påverka uppkomsten och utformningen av kommissionens initiativ. Detta gör att Finlands EU-miljöpolitik är reaktiv.</p>	
Nyckelord	Miljöpolitik, internationellt samarbete, EU	
Publikationsserie och nummer	Miljön i Finland 551	
Publikationens tema	Miljöpolitik	
Projektets namn och nummer		
Finansiär/ uppgångsgivare	Miljöministeriet/miljöavdelningen	
Organisationer i projektgruppen		
	ISSN 1238-7312	ISBN 952-11-1124-0 (nid.) 952-11-1125-9 (PDF)
	Sidantal 95	Språk Engelska
	Offentlighet Offentlig	Pris
Beställningar/ distribution	Edita Publishing Ltd, Box 800, FIN-00043 Edita, Finland tel. +358 20 451 05, telefax +358 20 450 2380 e-mail: asiakaspalvelu@edita.fi, www-server: http://www.edita.fi/netmarket	
Förläggare	Miljöministeriet	
Tryckeri/ tryckningsort och -år	Edita Prima Oy, Helsinki 2002	
Övriga uppgifter	Kontaktperson vid miljöministeriet, Pasi Iivonen tel. (09) 1991 9491	