

Holzinger, Katharina

**Book Part — Digitized Version**

## A surprising success in EC environmental policy: the Small Car Exhaust Emission Directive of 1989

**Provided in Cooperation with:**

WZB Berlin Social Science Center

*Suggested Citation:* Holzinger, Katharina (1995) : A surprising success in EC environmental policy: the Small Car Exhaust Emission Directive of 1989, In: Martin Jänicke, Helmut Weidner (Ed.): Successful environmental policy: a critical evaluation of 24 cases, ISBN 3-89404-136-6, Edition Sigma, Berlin, pp. 187-202

This Version is available at:

<https://hdl.handle.net/10419/122463>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



## WZB-Open Access Digitalisate

## WZB-Open Access digital copies

---

Das nachfolgende Dokument wurde zum Zweck der kostenfreien Onlinebereitstellung digitalisiert am Wissenschaftszentrum Berlin für Sozialforschung gGmbH (WZB).

Das WZB verfügt über die entsprechenden Nutzungsrechte. Sollten Sie sich durch die Onlineveröffentlichung des Dokuments wider Erwarten dennoch in Ihren Rechten verletzt sehen, kontaktieren Sie bitte das WZB postalisch oder per E-Mail:

Wissenschaftszentrum Berlin für Sozialforschung gGmbH

Bibliothek und wissenschaftliche Information

Reichpietschufer 50

D-10785 Berlin

E-Mail: [bibliothek@wzb.eu](mailto:bibliothek@wzb.eu)

The following document was digitized at the Berlin Social Science Center (WZB) in order to make it publicly available online.

The WZB has the corresponding rights of use. If, against all possibility, you consider your rights to be violated by the online publication of this document, please contact the WZB by sending a letter or an e-mail to:

Berlin Social Science Center (WZB)

Library and Scientific Information

Reichpietschufer 50

D-10785 Berlin

e-mail: [bibliothek@wzb.eu](mailto:bibliothek@wzb.eu)

---

Digitalisierung und Bereitstellung dieser Publikation erfolgten im Rahmen des Retrodigitalisierungsprojektes **OA 1000+**. Weitere Informationen zum Projekt und eine Liste der ca. 1 500 digitalisierten Texte sind unter <http://www.wzb.eu/de/bibliothek/serviceangebote/open-access/oa-1000> verfügbar.

This text was digitizing and published online as part of the digitizing-project **OA 1000+**.

More about the project as well as a list of all the digitized documents (ca. 1 500) can be found at <http://www.wzb.eu/en/library/services/open-access/oa-1000>.

# **A Surprising Success in EC Environmental Policy: The Small Car Exhaust Emission Directive of 1989**

Katharina Holzinger

## **1. Introduction**

The Small Car Directive of 1989 is one of the major success stories in EC environmental policy.<sup>1</sup> It brought the crucial break-through in EC car-exhaust emission regulation during the eighties, and has therefore already earned the title, "the 1989 miracle" (Dietz, van der Straaten & van der Velde, 1991: 73). The directive provided for unexpectedly tough limit values for exhaust emissions by small passenger cars with petrol engines. As a consequence of this decision, all new cars in EC member states have had to be fitted with a closed-loop three-way catalyst since January 1st 1993. Since a catalytic converter reduces the main gaseous pollutants from cars, carbon monoxide (CO), unburnt hydrocarbons (CH), and nitrogen oxides (NO<sub>x</sub>) by almost 90%, a substantial reduction in total exhaust emissions within the EC is to be expected. In section 2 the available data are presented. The small-car decision is not only a major achievement for the environment in EC countries, it can also be celebrated as a success story in terms of EC politics, since the environmentalist actors within the EC member states and institutions were able to succeed against the strong resistance of some major EC car-producing member states. The third section examines the regulatory background, political history, and the provisions and consequences of the Small Car Directive. In the fourth section, the factors responsible for this surprising success are analysed.

## **2. Car Emission Reduction**

As catalytic converters have been mandatory in all EC member states only since January 1st 1993, no reduction in emissions due to the Small Car Directive has yet been evidenced. The directive applies only to new cars. The substitution of

---

1 The article is based on a comprehensive case study on EC car exhaust regulation in Holzinger 1994. Other case studies are provided by Corcelle 1985, 1986, 1989; Boehler-Christiansen & Weidner 1992; Arp 1992.

the whole fleet usually takes place over a 10 to 12 year period. Hence, the full impact of the directive will not be felt before 2005. At present, the environmental improvement due to the Small Car Directive can be evaluated only on the basis of data from member states that introduced catalysts voluntarily at an earlier date. The countries in question were the Federal Republic of Germany, the Netherlands, and Denmark. On the basis of the data<sup>2</sup> available, it is possible to compare car emission trends in these countries with those in the remaining EC. This comparison shows that the voluntary introduction of catalyst cars in the Netherlands and Germany led to an immediate reduction in emissions (see table 1).

Catalyst cars were introduced in Germany as early as 1985, accompanied by a graduated system of fiscal incentives for so-called clean cars. Because of the rules laid down in the latest car directive, the so-called *Luxembourg compromise*, Germany was not allowed to base the subsidies on the *US-83-Standards* but only on EC standards. Consequently, there was little incentive to buy an expensive catalyst car when a subsidy was also paid for cheaper cars complying with EC standards. Therefore substitution of the fleet by catalyst cars began slowly in Germany.<sup>3</sup> In 1986 18% of new cars had a closed-loop three-way catalyst, and in 1988 the figure was 36%. The pace accelerated in 1990, when 86% of new cars were fitted with a catalyst.

The Netherlands began to subsidize clean cars on the basis of *US-83-standards* in 1989. To obtain the subsidy, cars fitted with closed-loop three-way catalysts had to be bought. This led almost immediately to a high percentage of catalyst cars. In 1988 not even 1% of car sales involved catalyst cars that complied with the *US-83-Standards*. Within just one year, however, this figure rose to 36% and rose again from 71% in 1990 to a remarkable 94% in 1992. Since subsidies on the basis of the *US-83-Standards* were still regarded by the EC Commission as being contrary to the rules of the *Luxembourg Compromise*, the matter was to be taken to the European Court of Justice late in 1988. However, due to the "greening" of the Commission in the spring of 1989, the Netherlands were finally not required to answer the case. In October 1990 Denmark adopted the Swedish car-emission standards. This meant that catalytic converters were mandatory for all new cars as of October 1990. This regulation is likely to have led to emissions being reduced since 1991, but regrettably no data are yet available.

---

2 At the time of writing (August 1993) there were regrettably no up-to-date data available even for these countries. For Denmark, emission data are available only until 1989, for Germany until 1990 and for the Netherlands until 1992. In Germany this is due to German unification. This provoked development of a new estimation method, thus causing delay.

3 The following data are based on Holzinger 1994; for more detailed data for the Netherlands see Schrama & Klok in this volume.

Table 1 shows the development of car emissions in EC member states. In Germany,  $\text{NO}_x$  emissions from mobile sources increased in both 1987 and 1988, but at a lower rate than in 1986. In 1989 a first decline of 0.6% was recorded. For 1990 the OECD figure indicates a sharp rise of almost 4%, which seems implausible compared to the annual 2% rise throughout the 1980s. The situation is similar for HC emissions, which also decreased in 1989 for the first time (by 4.6%) with a slight increase in 1990. For carbon monoxide a decline has been observed since 1986, again with an increase in 1990. The OECD figures for 1990 are only provisional and could not be verified by official German data.<sup>4</sup> According to information from the *Umweltbundesamt* the down trend continues in 1990 for all three pollutants in the passenger car sector while there is a rise in emissions from heavy duty vehicles and other means of transport.

More detailed data for Germany clearly show that emission reductions are due to the introduction of catalyst cars. The data given in table 2 distinguish between different sources of transport emissions, indicating the proportion of passenger cars. As catalytic converters can be fitted only to cars with petrol engines, the contribution of petrol-driven cars is of special interest. Table 2 shows that the decrease in the three pollutants is attributable to petrol-driven passenger cars, since emissions by Diesel-powered cars and trucks increased over the relevant period from 1985 to 1989. In 1989 petrol-fuelled cars emitted 3% less  $\text{NO}_x$ , 5.9% less CO, and 7.9% less HC. Table 2 also shows a decrease in lead emissions by vehicles of more than 50%. Since catalyst cars require unleaded petrol, lead emissions will be gradually reduced as substitution of the fleet proceeds.

In the Netherlands both  $\text{NO}_x$  and HC emissions have decreased since 1989 when tax incentives had begun to take effect. CO emissions have generally dropped during the 1980s. From 1988 to 1991, the average annual decrease was 2.3% for  $\text{NO}_x$ , 7.2% for CO, and 5.4% for HC. For petrol-fuelled passenger cars the corresponding figures are 5.6% for  $\text{NO}_x$ , 9.4% for CO, and 7.6% for HC.<sup>5</sup>

These data provide convincing evidence that car-emission reductions in Germany and the Netherlands after 1989 are the result of the voluntary introduction of catalyst cars. In both countries 1989 marks a clear turning-point in car emissions. Because of the rising proportion of catalyst cars in Germany and the Netherlands, more recent data will probably show further improvement. After 1993, when the catalyst car became mandatory in the EC, a comparable reduction of air pollution by cars can be expected in all other EC member states.

4 At the time this contribution was written the official report of the German *Umweltbundesamt* (Federal Environment Agency) with the data for 1990 had not yet been published.

5 Cf. table 5 of Schrama & Klok in this volume.

Table 1: Transport Emissions in EC Member States: NO<sub>x</sub>, HC, CO in 1,000 tonnes, 1980-1990

Country	Year	1980	1985	1986	1987	1988	1989	1990b)	1991b)
Belgium	NO <sub>x</sub>	120							
	CO								
	HC	138							
Denmark	NO <sub>x</sub>	108	125	134	134	133	136	140	
	CO	577	578	583	593				
	HC	52	57	59	62		89		
FRG	NO <sub>x</sub>	1604	1730	1818	1830	1849	1837	1908	
	CO	8813	6314	6599	6539	6477	6100	6109	
	HC	1310	1269	1322	1329	1334	1273	1282	
France	NO <sub>x</sub>	860	910	950	980	1040	1057	1060	1088
	CO	8100	7400	7200	7100	6900	6700	6600	6400
	HC	1134							
Greece	NO <sub>x</sub>	137							
	CO								
	HC	62							
Ireland	NO <sub>x</sub>	35	42	52	54	61		60	
	CO	420	355	337	337	317		341	
	HC	72	58	61	65	66		62	
Italy	NO <sub>x</sub>	753	907	970	992	1058	1137		

Luxembourg	CO	4990	5305	5304	5173	5096	5043	
	HC	599	827	859	866	883	907	
	NO <sub>x</sub>	12	14					
	CO		58					
Netherlands	HC	5	8					
	NO <sub>x</sub>	333	325	333	338	352	347	
	CO	1157	962	913	855	849	804	
	HC	261	235	229	221	223	214	
Portugal	NO <sub>x</sub>	106	57	62	71	77	90	
	CO	511	249a)					
	HC	51	53	59	58	62		
	NO <sub>x</sub>	501	454	484	521	577		
Spain	CO	2828	2769	2822	2856	2966		
	HC	404	407	442	472	513		
	NO <sub>x</sub>	975	1136	1191	1304	1412	1551	
	CO	4145	4710	4962	5292	5673	6120	
UK	HC	900	874	897	926	973	1008	
								1578
								6057
								997

a) 1983    b) data for 1990 and 1991 are provisional

Source: OECD 1993

Table 2: *Transport Emissions in Germany: NOx, HC, CO and Lead, in kt/a, 1985-1989*

	1985	1986	1987	1988	1989
<u>Carbon Monoxide</u>	6300	6600	6550	6450	6100
Passenger Cars	5850	6100	6050	6000	6500
• Petrol	5750	6050	5950	5900	5550
• Diesel	65	75	90	95	95
Heavy Duty Vehicles	120	130	130	140	140
Others	350	360	340	330	330
<u>Nitrogen Oxides</u>	1700	1800	1800	1850	1800
Passenger Cars	1000	1050	1050	1100	1050
• Petrol	960	1000	1000	1000	970
• Diesel	45	50	60	65	70
Heavy Duty Vehicles	480	500	510	530	550
Others	220	230	220	220	230
<u>Volatile Organic Compounds</u>	1250	1300	1350	1350	1250
Passenger Cars	1050	1100	1100	1100	1050
• Petrol	1050	1100	1100	1100	1000
Exhaust	620	640	640	630	580
Evaporation, Distribution	420	440	450	460	440
• Diesel	20	25	25	30	30
Heavy Duty Vehicles	100	100	110	110	110
Others	110	110	100	100	110
<u>Lead</u>	3.5	3.3	2.9	2.2	1.7

Source: *Umweltbundesamt, Daten zur Umwelt 1990/91*

### 3. Legislation on Gaseous Emissions of Cars in Europe

#### 3.1. Regulatory Background

Regulation of car exhaust emissions in Europe has its origin in regulations of the UN Economic Commission for Europe (ECE). These regulations aimed at promoting free trade by means of technical harmonisation. Between 1970 and 1983, five UN ECE regulations fixed limit values for the main gaseous pollutants emit-



ted by passenger cars, CO, CH and NO<sub>x</sub> (cf. Henssler & Gospage 1987). As the primary goal of ECE regulation was technical harmonisation, not protection of the environment, the limit values were not very ambitious. In fact, average CH and NO<sub>x</sub> emissions by most models were much lower than the limit values. Only CO emissions were affected by the ECE regulations (Becker 1988: 6).

Beginning in 1970, the EC had simply adopted all UN ECE emission standards as directives. The basic directive<sup>6</sup> 70/220/EEC was amended several times, always in line with the ECE regulations. But from 1983 onward, EC legislation on car exhausts went its own ways. In the spring of 1983 the German government took an initiative to amend the car-emissions directive more extensively. The political background to this initiative was the growing public awareness of forest decline in Germany. *Waldsterben* turned out to become a major topic in the 1983 spring general election campaign in Germany. As exhaust emissions, especially NO<sub>x</sub>, were accused of playing a decisive role in damaging forests, the German government requested that limit values be lowered drastically.

The terms of reference for the German request were the so-called *US-83-Standards*. The *US-Clean Air Act Amendment* of 1970 had formulated the ambitious goal of a 90% reduction in exhaust emissions compared to the average emission level in 1970. This goal could only be adopted as a regulation in 1983 after enormous R&D efforts by car producers (Heaton & Maxwell 1984: 18ff.). But American experience clearly showed that, with the closed-loop three-way catalyst, a technology was available that permitted the *US-83-Standards* to be met. Moreover, in 1972 Japan had also decided to introduce standards comparable to the *US-83-Standards*, and was able successfully to implement them as early as 1976 (cf. Shibata, 1989: 102ff.). Hence, the *US-83-Standards* acted as a point of reference during the subsequent political discussion within the EC.

### 3.2. *The Luxemburg Compromise*

With the German initiative, one of the most tedious conflicts in the history of EC environmental policy-making had begun (cf. Corcelle 1985, 1986 and Boehmer-Christiansen & Weidner 1992). Only Germany, the Netherlands, and Denmark argued in favour of the *US-83-Standards*, most other countries being strongly opposed to their introduction. This was due mainly to opposition from the French, British, and Italian car industries. They feared losing market shares to German car manufacturers, who had, unlike themselves, gained some experience in constructing catalyst cars. Therefore car producers in Germany were at least more willing to accept the introduction of the catalyst than were their European competitors. The German car industry also much preferred the catalyst to the introduction of a general speed limit. During the *Waldsterben* debate, environmentalist organiza-

<sup>6</sup> Council directive 70/220/EEC, OJ No. L 76, 06.04.70.

tions had called for a speed limit of 100 km/h on motorways and 80 km/h on main roads. In the event of such a speed limit being imposed, German large car producers feared a decrease in sales, since the image of German large cars is based partly on their performance at high speed.

After two years of contentious negotiation, a first agreement was concluded in June 1985, when the so-called *Luxemburg Compromise* was reached. The main elements of the compromise were the division of passenger cars into three classes on the basis of their engine capacity, different limit values for the three classes, and a timetable for compliance, which also drew a distinction between new cars and new models. Limit values and introduction dates are shown in table 3. In order to achieve the limit values for large cars, a closed-loop three-way catalyst was necessary. Medium-sized cars had to comply with less stringent standards, which allowed for oxidation catalysts or lean-burn engines as technical solutions. For small cars a further distinction was made. In a first stage, beginning in 1990, very lax standards were to be introduced. But no agreement was reached among member states on the limit values for the second stage beginning in 1992. The EC Commission was required by the Council to propose limit values for the second stage early enough to allow a decision before the end of 1987.<sup>7</sup>

Table 3: "Luxemburg" Car Emission Standards of 1985

Cubic Class	Date of Introduction		Emission in g per ECE-Test		
	New Models	New Cars	CO	HC + NO <sub>x</sub>	NO <sub>x</sub>
above 2 l	1.10.88	1.10.89	25	6.5	3.5
1.4 - 2.1 l	1.10.91	1.10.93	30	8.0	-
below 1.4 l					
Stage I	1.10.90	1.10.91	45	15.0	6.0
Stage II	1.10.92	1.10.93	is to be fixed in 1987		

Source: Council Directive 88/76/EEC (OJ No. L 36, 9.2.88)

7 Because of a veto by Denmark, the Luxemburg Compromise of June 1985 could not be formally adopted until December 3rd 1987. The Council had to wait until 1987, when the Single European Act came into force, and the matter could be decided by qualified majority. Cf. Council directive 88/76/EEC, 03.12.87, OJ No. L 36, 09.02.88

### 3.3. *The Small Car Directive*

After intensive negotiation with interest groups such as the European Car Manufacturers Association (CCMC) and the European Environmental Bureau (EEB), the EC Commission put forward a proposal for the *Stage II* small-car standards in February 1988.<sup>8</sup> The proposal included small-car limit values of 30 gramme for CO and 8 gramme for the combined emissions of HC and NO<sub>x</sub>. A list of proposals for small-car standards of the most important political actors is given in table 4.

*Table 4: Proposals for Small Car Standards, 1987-1989*

	Emissions in g per ECE-Test	
	CO	HC + NO <sub>x</sub>
Committee of Common Market Automobile Constructors	38	12.8
European Environmental Bureau	20	5.0
EC Commission, COM 87 (706), 10.2.88	30	8.0
Member States in 1987		
• FRG, Denmark, Netherlands, Greece	20	5.0
• United Kingdom, all others	35	12.0
European Parliament, OJ No. 262, 10.10.88	20	5.0
Council, Common Position, 24.11.88	30	8.0
Council Directive 89/458/EEC (OJ No. L 226, 3.8.89)	19	5.0

*Source: Holzinger 1994*

There was heated discussion of the proposal. The member states formed two camps. Germany, the Netherlands, Greece, and Denmark argued in favour of 20 gramme CO and 5 gramme HC+NO<sub>x</sub>. These standards required a catalyst for small cars. All other member states supported the British proposal of 35 gramme CO and 12 gramme HC+NO<sub>x</sub>. Despite this considerable difference, the Council was able to reach agreement on the basis of the Commission proposal after only two meetings in June 1988. But after some days France withdraw its consent and further negotiations became necessary. The Council could not adopt a formal *Common Position* before November 1988.

<sup>8</sup> COM (87) 706 final, 10.02.88.

After July 1987, when the *Single European Act* came into force, regulatory legislation on car exhausts had to be passed pursuant to Article 100A (*Internal Market*) and Article 149 (*Cooperation Procedure*) of the EC Treaty. The *Cooperation Procedure* provided for two major changes: first, decisions in the Council required a qualified majority. This meant that the car exhaust directive no longer required unanimity to be adopted. Second, the European Parliament had the right to reject or to amend the Council position in a so-called *Second Reading*, provided it could obtain an absolute majority. If the Commission accepted the amendments of Parliament, the Council could override both institutions only by a unanimous vote.

In September 1988, after a long discussion, the European Parliament gave its first *Opinion*<sup>9</sup>, in which it supported the 20/5 option (i.e., 20 gramme CO and 5 gramme combined HC and NO<sub>x</sub>) of the "environmentalist" states. Opting for the Commission's 30/8, the Council's *Common Position* disregarded Parliament's advice, despite the fact that, due to Danish and Dutch opposition, it proved impossible to obtain a unanimous decision. The *Second Reading* was on Parliament's agenda in April 1989. One day before the final vote, the new Environment Commissioner Ripa di Meana indicated that the Commission would be willing to support the stricter limit values requested by Parliament. On April 12th 1989, the House almost unanimously<sup>10</sup> amended the *Common Position* in concurrence with the Commission.

The Commission revised its proposal in May 1989. The limit values were now to be 19 gramme CO and 5 gramme HC+NO<sub>x</sub>.<sup>11</sup> At the technical level, this amounted to the same as 20/5.<sup>12</sup> Since the Council could not attain unanimity on its *Common Position*, it finally adopted the directive at its June 1989 meeting.<sup>13</sup> As a consequence, a catalyst was now required for large and small cars, but not for medium-sized vehicles. This made neither economic nor political sense. The Council therefore required the Commission to submit a comprehensive proposal.

In June 1991 the so-called Consolidated Directive was adopted by the Council.<sup>14</sup> The directive provided for the abolition of the three cubic classes and for uniform limit values for all cars, measured by a new European test cycle. As a result, every new car in the Community has had to be fitted with a closed-loop three-way catalyst since January 1st 1993. The following section considers which political and institutional factors were responsible for this surprising outcome of EC environmental decision making.

9 OJ No. C 262, 10.10.88

10 OJ No. C 120, 16.05.88

11 COM (89) 257, 16.05.89

12 With both limit values a closed-loop three-way catalyst is required.

13 Council directive 89/458/EEC, 18.07.89, OJ No. L 226, 03.08.89

14 Council directive 91/441/EEC, 26.06.91, OJ No. L 242, 30.08.91

## 4. Reasons for the Unexpected Success

### 4.1. The "Greening" of Britain, France, and Italy

By the end of the eighties, growing public awareness of environmental problems (and especially of acid rain) was becoming apparent in Britain, France and Italy. The outcome of elections in these countries can serve as an indicator.<sup>15</sup> In the 1989 European elections, *Les Verts* obtained 10.6% of the French vote compared to the 6.7% they had gained in 1984. *Les Verts* did not participate in the 1988 general election, but in regional elections in the spring of 1989 they gained more than 20% in some regions. In 1989 the British Green Party won an astonishing 14.5% of the vote in the European elections, compared to 0.5% in 1984. It is true that they scored only 0.3% in the 1987 general election, but this must be seen as a result of the British electoral system. In Italy the share of the popular vote won by green parties (*Federazione delle Liste Verdi* and *Verdi Arcobaleno*) increased from 4.8% in the European elections in 1984 to 6.2% in 1989, with a similar increase in the 1987 general election. In this period, green parties were also successful in Belgium and Ireland. But in countries in which green parties had already gained a substantial percentage of the vote at an earlier date, as in Germany, in the Netherlands, and in Luxembourg, no additional increase is to be recorded for this period. This is also true for Denmark, where the proportion of the popular vote gained by *De Gronne* had hitherto always remained below 2%. In Denmark green topics have to a substantial extent been included in the platforms of traditional parties.

This phase was also a year of establishment and growth for environmental organisations like *Greenpeace* and *Friends of the Earth* in Britain and Italy. 1988 had already been labelled "the green year in Britain" (Boehmer-Christiansen & Weidner 1992: 65). For example, environmental organisations in Britain called for the introduction of the catalyst for all cars. Governments responded to this shift in public awareness with symbolic political action. The British Prime Minister showed herself concerned by global warming and for the first time put an environmental topic on the Cabinet agenda. In 1988 a department for environmental affairs was set up in Italy. In France the leader of the *Entente Radicale Ecologiste* party, Brice Lalonde, became minister for environmental affairs. In their endeavours to assume a "green" image, these governments were more ready to make concessions in the small cars case than they had been in 1985.

---

15 For the following election data cf. Holzinger 1994.

#### 4.2. *The Car Industry*

In the years after the *Luxembourg Compromise*, the opposition of car manufacturers to the catalytic converter gradually weakened. In fact, in 1988 Peugeot bore sole responsibility for the car industry's proposal of the 38/12 standard (see table 4). All other car manufacturers had been willing to accept the 30/12 proposal, since with these limit values<sup>16</sup> they could hope to save the lean-burn engine. This diminishing opposition was partly due to a positive development in car sales and production between 1986 and 1988. EC car production increased by 17% between 1985 and 1988. In Italy the increase amounted to 36%, in France to 23%, in Britain to 17%, but in Germany to only 4% (Holzinger 1994). Generally speaking, the prospects for the car industry were extremely favourable.

A more important factor was certainly the development in catalyst car markets. As a result of German subsidies for clean cars and of the continued growth in environmental awareness and environmentally beneficial behaviour among consumers, it was not only German car producers who were forced to develop catalyst models for the German market. An additional incentive to offering catalyst models was provided by the EFTA countries Sweden, Norway, Switzerland, and Austria, since all of them had adopted *US-83-Standards* after 1986. Thus most car producers were already offering some catalyst models in 1986. In 1988 Renault started a "green image" campaign, and offered its catalyst cars in France as well. In the spring of 1989 Fiat announced that it would in future be offering only cars fitted with a closed-loop three-way catalyst. Even Austin Rover produced a first catalyst car in 1988. The last to follow suit was Vauxhall. Experience in the construction of catalyst cars had thus grown considerably. Moreover, most car producers had learned during the previous years that the lean-burn concept held no promise of success in the short term.

#### 4.3. *Institutional Change at the EC Level*

As mentioned above, the advent of the *Single European Act* required car exhaust matters to be decided pursuant to the *Cooperation Procedure*. At first this meant that the Council had to decide on the small car proposal by a qualified majority rather than unanimously. In the spring of 1988 there were two groups of member states. Germany, the Netherlands, Denmark, and Greece argued in favour of the 20/5 standard, whereas Britain and all other countries preferred 35/12, but were prepared to accept the Commission's proposal of 30/8. The "environmentalist" countries had a blocking minority of votes. Until the end of May 1988, a solution seemed far off. But two weeks before the next Council meeting on June 16/17th,

16 As the European car manufacturers association CCMC used to decide unanimously, Peugeot could succeed against the others.

the German delegation put forward a compromise proposal. They suggested accepting the Commission's standards (30/8) for the second stage, but introducing stricter limit values in a third stage after a number of years.

What were the reasons for this surprising change in the German position? First, as Germany held the presidency of the Council, it was politically committed to proposing a compromise to avoid deadlock. But a second reason seems to be more important. In the course of informal discussions, the British and German ministers of the environment Lord Caithness and Professor Töpfer discovered that a possible solution could be a package deal with another object of tedious negotiation, the EC Large Combustion Plant Directive (Holzinger 1994, Bennett 1992: 127ff.). The large combustion plant proposal was also a German initiative, and was in essence related to car emissions, since it aimed at reducing NO<sub>x</sub> as well.<sup>17</sup> France and Britain indicated that they would agree to the latest German proposal for the Large Combustion Plant Directive if Germany were prepared to support the Commission's standards for small cars. As Bennett (1992: 129) put it: "Töpfer's choice was to accept this deal and get both directives adopted, or to reject it and leave empty-handed." Töpfer chose the former, and was able to celebrate a double success at the end of his presidency – but had to pay the high price of sacrificing the catalyst requirement for small cars. It took an extraordinary Council meeting on June 28/29th to achieve this agreement. It is thus reasonable to conclude that this environmental success owed nothing to the change from a unanimous to a qualified majority vote.

After the Council had formally adopted its *Common Position*, the *Second Reading* in Parliament commenced. At this stage Parliament had three choices. If it failed to obtain an absolute majority, it could only accept the Council's proposal. But if it was able to obtain an absolute majority, it could either reject the *Common Position* or amend it. In the event of rejection, and if the Commission decided to accept Parliament's amendments, the Council could override Parliament only by a unanimous decision. If the Commission failed to back Parliament, the Council could decide by a qualified majority. Adopting its 30/8 *Common Position*, the Council apparently did not believe that Parliament would be able to obtain an absolute majority in favour of rejecting or amending the 20/5 proposal.

After some discussion in the spring of 1989, the Member submitting the report to the Environmental Committee of the House, Kurt Vittinghoff, a German Social Democrat, proposed roughly the same amendments as those contained in the *Opinion* of September 1988. The proposal of the 20/5 limit values was sustained. Vittinghoff worked hard to convince his Italian, French, and British colleagues at both the committee and the plenary levels. In March 1989 the committee adopted the Vittinghoff report almost unanimously. Vittinghoff thereupon threatened that

---

17 For a case study cf. Bennett 1992: 92-130.

Parliament would reject the *Common Position* if the Commission failed to accept Parliament's proposal.

Some days before the final vote in the House, the Commission became aware that there was a very real possibility of the proposal being rejected. The European Parliament wanted to demonstrate its power. It intended to make full use of the extended competence provided under the *Single European Act*. The Small Car Directive served as a test case (Corcelle 1989: 522). Two factors played a crucial role. First, Parliament was annoyed because its *Opinion* of September 1988 had been completely disregarded by the Council. Furthermore, the Council had given no reasons for this. The Treaty requires detailed and comprehensive explanation for the *Common Position*, but the Council had delivered only half a page. Second, the final vote on small cars took place only two months before the European elections of June 1989. Parliament intended to demonstrate to the European voters that it was not an institution bereft of power as was often claimed. Because of the increasing public awareness of environmental problems in Europe, legislation in this field, especially the widely discussed Small Car Directive, was well suited to this purpose. Moreover, Parliament could prove its own concern about the environment.

The Commission now had the choice of either indicating its support for the Parliamentary amendments or incurring the risk of rejection. In the latter event, the proposal would have lapsed, as it was certain that at least Denmark and the Netherlands would not consent to the *Common Position*. The Commission chose the first option. In a first stage it announced that it would support some of Parliament's amendments, intending a form of compromise. But from the discussion in the House, it was clear that Parliament would not be satisfied by this. During the session, Commissioner Ripa di Meana declared that the Commission was prepared to accept limit values comparable to those requested by the Parliament. Having received this assurance, Parliament amended the proposal in concurrence with the Commission instead of rejecting it.

Why was it that the Commission changed its position? Firstly, there was a general "greening" of the Commission in the spring of 1989. In March President Delors announced that environmental policy was to become a new priority area of EC policy. A green image for the Commission seemed imperative as a consequence of the growing public interest in environmental issues. For example, the Commission's *Internal Market Programme* had been strongly criticised by environmentalists and experts because of its adverse effects on the environment. Another factor was the new Commissioner for the environment Ripa di Meana. He had not previously enjoyed a reputation as an environmentalist, but after taking office he surprisingly turned out to be a strong defender of environmental concerns. During his term, he habitually adopted a strong environmentally friendly stance, sometimes taking spectacular action, as when he proposed a car-



bon dioxide tax, or when he decided to stay away from the Rio conference in June 1992. At a Commission meeting in March 1989, Ripa di Meana vigorously advocated the introduction of *US-83-Standards* in Europe. At the same meeting Delors perceived "a possibility" of reviewing the Commission's point of view and espousing Parliament's position. This provided the basis for the first rapprochement with Parliament mentioned above. But the final announcement by Ripa di Meana to the House that the Commission would accept the limit values proposed by the Parliament does not seem to have been backed by the Commission as a whole (Arp 1992: 33). Thirdly, it should be noted that without its willingness to cooperate with Parliament, the Commission would have had to repeat the entire decision-procedure.

## 5. Conclusions

EC environmental policy-making is often accused of producing "lowest common denominator" decisions. The small-car case showed that the opposite may happen, too. In terms of EC environmental politics, the Small Car Directive was an astonishing success, since the position of the "environmentalist" countries and Parliament succeeded. As shown in the previous section, the political success of a Small Car Directive, which finally led to the introduction of the catalyst car in the EC, resulted from the coincidence of a number of factors: increased public awareness of environmental problems in member states, which was very important for the small-car issue; the growing demand for catalyst cars in Germany provoked by the subsidy scheme, and demand in the EFTA market; diminishing resistance offered by the car industry to the catalyst; at EC Council level the strict environmentally friendly position taken by Denmark, the Netherlands, and Greece; at the Parliamentary level a very active rapporteur and the Parliament's desire to demonstrate its powers in view of the coming European elections in 1989; at the Commission level a general "greening", a strong Commissioner and the risk of having to start the legislative procedure anew. But such a coincidence cannot be expected to be the rule. In EC environmental policy, a success such as the small-car case is rather the exception.

It is doubtful whether the introduction of the catalyst car will prove a success for the environment. In section one it was claimed that a decrease in car emissions is to be expected as a result of European regulation, and some evidence for this was given. In terms of absolute emissions, this achievement will possibly be counteracted in the future by an increase in mileage. But mileage is growing independently of emission regulation and in any case emissions per kilometre will be lower in the future. More serious doubts arise if the time factor is taken into consideration. The EC needed six years to reach a decision in favour of the catalyst. Can European car exhaust-gas regulation really be called a success story, when it

introduced limit values in 1993 that had come into force in the United States in 1983, and in Japan in 1976? In European terms it was a success, but in the global context it was not.

## References

- Arp, H. A. (1992), The European Parliament in European Community Environmental Policy, EUI Working Paper EPU No. 92/13, Badia Fiesolana: European University Institute.
- Becker, K. (1988), *Der weite Weg nach Luxemburg*, unpublished paper, Berlin: Umweltbundesamt.
- Bennet, G. (1992), *Dilemmas. Coping with Environmental Problems*, London: Earthscan Publications.
- Boehmer-Christiansen, S. & H. Weidner (1992), Catalyst vs Lean-Burn. A Comparative Analysis of Environmental Policy in the Federal republic of Germany and Britain with Reference to Exhaust Emission Policy for Passenger Cars 1970 -1990, WZB-Paper FS II 92-304, Berlin: Science Center Berlin.
- Corcelle, G. (1985), "L'introduction de la 'voiture propre' en Europe", *Revue du Marché Commun*, 258-263.
- Corcelle, G. (1986), "L'introduction de la 'voiture propre' en Europe: suite et fin?", *Revue du Marché Commun*, 125-131.
- Corcelle, G. (1989), "La 'voiture propre' en Europe: le bout du tunnel est en vue!", *Revue du Marché Commun*, 513-526.
- Dietz, F., J. van der Straaten & M. van der Velde (1991), "The European Common Market and the environment: the case of the emission of NO<sub>x</sub> by motor cars", *Review of Political Economy* 3, 62-78.
- Heaton, G. R. & J. Maxwell (1984), "Patterns of Automobile Regulation: an International Comparison", *Zeitschrift für Umweltpolitik und Umweltrecht* 7, 15-40.
- Henssler, H. & S. Gospage (1987), The Exhaust Emission Standards of the European Community, SAE Technical Paper Series No. 871080, Warrendale: Society of Automotive Engineers.
- Holzinger, K. (1994), *Politik des kleinsten gemeinsamen Nenners? Umweltpolitische Entscheidungsprozesse in der EG am Beispiel der Einführung des Katalysatorautos*, Berlin: edition sigma.
- Shibata, Tokue (1989), "The Influence of Big Industries on Environmental Policies: The Case of Car Exhaust Standards", in: Shigeto Tsuru & Helmut Weidner (eds.): *Environmental Policy in Japan*, Berlin: edition sigma, 99-108.