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## Coordinated European governance: Self organising or centrally steered?

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## Abstract

A key question troubling the managers of the European Union (EU) is how can Europe be kept manageable? De-regulation, decentralisation and enlargement are increasing the heterogeneity of the EU and putting the present governance model under pressure. In its 2001 White Paper, the Commission showed that it interprets governance to mean less central control and more network-led steering. Drawing upon an empirical study of environmental policy integration (EPI) in the EU, this article shows that this vision may not adequately fit the multi-actor, multi-level characteristics of some EU problems. By studying the administrative capacities that the European Commission and three member states (Germany, the Netherlands and the UK) have created to discharge this responsibility, this article shows significant administrative weaknesses at actor and at network level. Effective European networks – and hence governance – require considerably more central steering than the White Paper suggests.

**Keywords:** Governance; coordination; European Union; environmental integration

*“I asked myself how to open up the [EU] system to greater participation, how to make it more accountable, more effective and more coherent...”* (Romano Prodi, 25 June 2001) (Covering letter attached to the EU White Paper on governance).

## 1. The Need for a Governance Debate in Europe

The EU is at a crossroads in various respects. Both the enormous challenge of enlargement and the bottlenecks resulting from the successes of the European integration process call for a great many adaptations. One course along which the discussions on adaptation are moving is that of the Convention on the Future of Europe, which addresses the political-institutional structure of the EU (i.e. transparency in the EU, more qualified majority voting, etc). Another course, discussed here, is the search for a more modern form of governance based on networks. The Commission's thinking on this matter was published in the 2001 Governance White Paper (CEC, 2001). The expectation is that the discussion provoked by this document will lead to an institutional blueprint which will serve as a basis for the Intergovernmental Conference (starting at the end of 2003).

Although at times rather abstract, the importance of the governance debate should not be underestimated. The purpose of this article is to argue that the White Paper and the debate it triggered has so far missed an important fact: *European* governance can be substantively different to national governance. Crucially, the Commission's proposals are strongly oriented towards a network view of governance which has mostly been developed in national administrative settings. We argue that this view should not be transferred to the European level without some prior consideration of the governing characteristics of the two systems, as European networks require considerably more support than national networks. Consequently, the EU now needs to think whether its preferred governance model provides an effective means of addressing all the policy problems it is legally mandated to address.

The remainder of this paper is divided as follows. Section Two discusses the content of the White Paper and the criticisms it provoked. As governance encompasses several distinct schools of thought (Pierre and Peters, 2000), Section Three analyses the vision underpinning the Commission's governance proposals. We will show that the Commission's thinking draws heavily on the idea that networks 'self-manage', the corollary being that coordination requires little central steering. As this vision is not necessarily always appropriate to the EU, Section Four presents a more active view of network management that has been hitherto left out of the discussion.

Internal coordination and coordination within networks has only recently emerged as a research theme in EU studies (Peters and Wright, 2001). Section Five analyses the relevance of a more active view of networks against a detailed empirical study of the coordination challenges posed by the Treaty based obligation to integrate environment into other policy areas. In spite of receiving very wide backing, the implementation of environmental policy integration (EPI) in the EU has fallen far short of political promises and what the Treaty requires (Kraemer *et al.*, 2002; Lenschow 2002). Consequently, the EU now finds itself struggling to implement another Treaty based commitment to develop more sustainably. Our study shows that policy coordination is weak and there are many costly overlaps, as the environmental parts of the EU continually struggle to address the environmental problems created by other parts of the EU. Equally important, the diagnosis in the EU of the problems behind EPI is weak.

EPI is a good case to take because it offers a detailed empirical example of many of the complaints aired in the White Paper, namely of EU policy not living up to expectations, poor policy coordination and incoherence. Section Six assesses the extent to which the Commission's vision of self organising governance is capable of responding by looking at the administrative capacities of the actors in the network. Drawing upon elite interviews with national and EU-level officials, our empirical study not only diagnoses the main causes but also reveals what administrative frameworks are now needed to govern problems (like EPI) that span different sectors. It more precisely reveals what kinds of supporting networks are required, what leadership role the Commission can or should play in network management, what kind of capacities they require in the Member States, and how these capacities can be built.

Finally, the concluding section draws together the main threads of our arguments and examines what is now needed to make the Commission's interpretation of governance more relevant to the multilevel coordination challenges that exist in the EU today.

## 2. Competing Visions of Governance

### 2.1 The EU's governance debate

'Governance' is mostly seen as an alternative to monolithic and hierarchical 'government'. It focuses on horizontal networks in which binding agreements are made and on instruments to steer these processes. Governance typifies public management post-NPM. It acknowledges the limitations of central steering and emphasises the dependence of governments on support from the private sector and civil society. Governance is not an end result but a process of joint policy making and implementation (Kooiman 1993). In the context of international cooperation, governance is a reaction to the absence of traditional hierarchies. Though having different backgrounds, the national and international governance models both emphasise horizontal networks and 'governance without government'.

The EU's White Paper defines governance as "rules, processes and behaviour that affect the way in which powers are exercised at European level, particularly as regards openness, participation, accountability, effectiveness and coherence." The focus on openness and participation emphasizes that the Commission seeks voluntary coordination when and where possible. The Commission, therefore, deliberately uses the term governance instead of the term government – though it acknowledges that this term does not exist in all EU languages.

There are at least five reasons why governance has emerged as such a pressing issue in the EU today. The first is of a purely practical nature: the workload of the Commission has increased considerably due to the widening and deepening of EU policy. However, various European Councils have decreed that the Commission cannot physically grow in size. Cooperation with national governments is therefore necessary to combine resources, and do more with the same. Governance is in this respect the administrative dimension of subsidiarity.

Secondly, the EU is suffering a serious legitimacy crisis. Eurobarometer surveys indicate that little over half (55% in 2002) of the EU population thinks EU membership is a good thing, hence the wish to increase public participation and establish closer contacts with local governments.

Thirdly, EU enlargement post 2004 requires reform of EU institutions and of existing ways of working. The increasing diversity among the Member States will make policy flexibility more important. More cooperation between old and new Member States may be needed to share experience and to create trust and understanding.

Fourthly, policy fragmentation adversely affects clarity and consistency. Fragmentation and discrepancies have arisen because the various Council formations operate in the absence of strong political leadership and/or a coherent long term strategy. The Commission has responded by consolidating existing measures into general legislation which leaves ample room for national differences. Moreover, policies have become more interwoven, requiring greater coordination. In short, interdependencies can no longer be managed centrally but demand greater coordination, both horizontally across policy sectors, but also vertically between the EU and its member states. The wish for greater coordination was formalised in the Amsterdam Treaty (1997), which sharpened the legal obligation to include an environmental policy dimension in every other policy area.

Lastly, governance is a fashion to which even the Commission is not immune. National governments are actively exploring governance, so it is no wonder that the EU is also debating governance. The danger of this is that national models may be copied to the EU level without any real thought being given to whether it is justified or appropriate. Crucially, less detailed legislation and horizontal coordination between social parties may prove to be a lot easier to apply in a homogenous national context than in the EU, which suffers from deep sectorisation, has weak political leadership and a limited capacity for central steering (Peters and Wright, 2001, 158).

Of course there are many other contributory factors, such as the diminishing willingness of states to relinquish more powers to the EU and enlargement, which may demand a less uniform approach to central steering by legislative means. However, these five are particularly important.

## **2.2 The 2001 White Paper proposals**

There is no magic solution to these challenges. Indeed the White Paper addresses many issues such as interactive forms of governance, ways to combine the administrative capacities of Member States and flexible steering to replace binding legislation. At the start, the Commission lists seven principles of 'good' governance, namely participation, accountability, effectiveness, policy coherence, subsidiarity, proportionality and sound science. These principles generate a list of proposals. As the governance debate is a reaction to a range of complaints and challenges, the list is both long and varied. It includes many aspects of EU policy making such as the functioning of the Commission, EU policy instruments, openness of procedures, the role of the Member States in European decision making etc. A greater diversity of instruments is advocated, such as recommendations and guidelines, self- and co-regulation, open coordination (benchmarking) and delegating tasks to agencies.

In spite of this diversity, three central themes can be discerned. One is the wish to increase public participation in EU decision-making. The second central theme is the desire to upgrade EU policy making (the so-called 'Community Method'), although several ways of achieving this are canvassed. The Commission claims that it drafts good proposals but that these are constantly diluted by amendments made by the Council and the European Parliament. This makes policy making opaque, inflexible, time consuming and very *ad hoc*. Besides, the Commission would like greater control over implementation; it does not want to be tied down by the many implementing (i.e. comitology) committees - hence recent proposals to reduce the number of implementing committees. This also explains the Commission's desire for less unanimous voting which leads to lengthy deliberations and further refinements (so that no country has to make adjustments to national policies).

Thirdly, new instruments are proposed which make EU policy less detailed and allow greater flexibility at the national level. Benchmarking exercises can subsequently help to exchange experience and create peer pressure through 'naming and shaming'. Agencies, too, can play a role in benchmarking by providing better and independent information.

These themes do not arise from a passing interest in governance but are a recurring feature of a continuing debate about the development of the EU. In this respect, the White Paper has provided a much needed opportunity to discuss future European public administration. However, the White Paper has also been heavily critiqued (for a review, see Schout (2004)). It has been criticised, among others, for being inconsistent (Scharpf 2001; Wincott 2001) and for being more of an initial 'think piece' instead of a fully fledged White Paper. Moreover, it has been presented as the Commission's attempt to increase its power at the cost of the member states (Scharpf, 2001). This sort of criticism demonstrates that more in depth thinking about EU public management reform is still needed. Importantly for us, the critiques have not yet addressed the problems which potentially could arise from taking governance - which is basically a national concept of administrative reform - and using it to reform the EU, which is of course a much more international form of administration.

## **2.3 Governance and networks**

Policy networks play a role in all three of the themes identified above. In the discussion of the proposals, the Commission draws attention to the need for more consultation: between European and national levels of government; between government and civil society; between national parliaments and the European Parliament; between economic actors to enable self-regulation; and between and with experts. European agencies, for instance, are not isolated units but often form the axis of networks of national agencies (Everson *et al.*, 2001).

Benchmarking requires joint actions from the Member States in the aggregation of information, in the analysis and assessment of trends in the EU and in the Member States and in the monitoring of agreements. Aiming for less detailed policy requires that Member States individually and with each other, prevent EU legislation from being watered down. The active participation of civil society demands properly functioning networks of national and European interest groups. Networks are therefore an important feature of many of the Commission's proposals.

### **3. The Commission's Vision of Governance**

To deepen the discussion, we first need to determine what governance - or 'good governance' - actually means. Governance has been associated with self-managing networks in which social actors have an incentive to negotiate collective agreements (Rhodes 1996, 652). At the same time, it includes but does not entirely replace traditional (i.e. top-down) legislation. In fact, a major distinction between the different visions of governance is the extent to which government can steer network processes and outcomes. We therefore have to know whether the White Paper is premised upon a governance vision in which government plays a minimal role or whether more active visions are needed in which governments actively steer networks.

As governance is not a clearly defined concept, we have to infer the Commission's vision from the proposals it makes. The readers of the English version of the White Paper are at an advantage in this respect as it refers on four occasions to 'good governance'. This term was formulated by the World Bank for developing countries. It focuses on NPM principles combined with participative democracy (c.f. Rhodes 2000). In the Dutch version, the occasional reference to 'good governance' is simply translated in to 'governance' so that the administrative ideology remains hidden.

The governance vision underpinning the White Paper fits a number of current trends in public administration rather well. It certainly resembles mainstream NPM thinking in Member States. On this view, governments should concentrate on setting out the main objectives of policy ('more steering, less rowing'). Inspired by NPM, the White Paper underlines the significance of agencies, decentralisation and partnerships. 'Soft' European instruments such as benchmarking and networks are presented as ways to facilitate and complement the decentralisation of policy. The White Paper also underlines the importance of relying more on local learning, on competition between Member States and on consultation. The Commission's wish to focus on the Community Method and to conduct less detailed policies is also in keeping with good governance.

The NPM-inspired vision of governance is a welcome starting point for a discussion of European public management. However, the danger is that it ignores the difficulties associated with transferring models and mechanisms from the national to an EU level. In particular, while much of the White Paper is very useful, it underestimates the unique dynamics and complexity of multilevel coordination at the international level institutional architecture of the EU. We are not arguing that the neo-liberal vision is inherently flawed, only that it must be complemented with additional governance models if it is to work in the EU.

After all, governance is, by definition, about finding complementary steering mechanisms.

An arms-length approach to governance is also evident in the Commission's discussion of networks. Very little attention is paid to the many problems associated with creating transnational cooperative relations. As regards the manner of cooperation, the Commission points to a culture of voluntary cooperation (e.g. p. 18). The facilitating measures are limited to: setting up websites to improve contacts with and between interest groups; joint training of national civil servants; and schemes for 'twinning' new and old member states. This reveals two important assumptions that are implicit in the Commission's thinking: (1) networks are effective; and (2) actors are sufficiently motivated to want to join them.

#### **4. An Active View of Networks and Governance**

##### **4.1 Two models of network governance**

As the EU's proposed governance model relies heavily on deregulation, flexibility and subsidiarity, when coupled to enlargement it will almost certainly increase heterogeneity and hence calls more for effective coordination. How is this going to be achieved? The traditional model of regulatory harmonisation has its limits in an increasingly large and differentiated Europe. This necessitates fresh thinking about new forms of cooperation between Member States in order to prevent the internal market from (re)fragmenting. This is where network mechanisms are supposed to play their part. However, the critical question we wish to pose is whether the World Bank's model of good governance - in which networks are seen in the context of individual countries - can simply be transferred to EU level, or whether the EU requires specific (i.e. more actively steered) forms of network management.

Two models can be distinguished to assess the relevance of the Commission's network vision: one that focuses on networks as self-organising systems and one involving active steering by government. Adherence to one model or the other is a function of one's administrative ideology. Challis *et al.*, (1988) distinguish between coordination optimists and coordination pessimists. The usefulness of management - in networks or in organisations in general - is often difficult to prove because the outcome of human processes depends on many factors (Dawson 1992). The extent to which networks are self-steering or sensitive to government influence often resembles the 'is a glass half full or half empty' debate. Thus, the same process can be described by one observer as a case of internal network management while another may stress the role of external steering (cf. Chisholm (1989) and Schout (1999, 75-80)). The relative importance of steering also depends on the context in which a network operates. Chisholm describes a self-managing public network in a city in which people know each other well, have one administrative culture, speak one language, have a long history of working together etc. Networks in the EU are prone to all sorts of internal conflicts and will have higher transaction costs. Our broader point, however, is that a theory that applies in one setting (in this case a city), may not necessarily be relevant to another (i.e. the EU).

##### **4.2 Are networks self-organising?**

So, to what extent are networks self-organising? Elinor Ostrom has elaborated several models of self-organisation (e.g. Ostrom, 1990). She has been at great pains to specify the conditions under which iterative processes of institution building can lead to the appearance of effective governance systems. These include: actors in the network should recognise their interdependence; they should know each other for years; there should be a relatively small number of

actors, who trust one another. If these conditions are fulfilled, than cooperation can develop (*ibid.*, p. 197-206). Crucially, the strong bonds between the actors in the network make external steering unnecessary. This view is closely related to the ‘governance without government’ vision. Government steering will be pointless and even counterproductive in the more radical models. Milder versions consider government as one of the actors and leave open the possibility of external influence. For instance, government can manipulate cooperation through funds, by threatening non-participants with legislation or through providing information. Importantly, however, the process continues to be dependent on the interactions in the network and therefore remains essentially self-organising. This is essentially the approach adopted in the White Paper.

### 4.3 Network management

There are many reasons why Ostrom’s conditions may not be fulfilled, such as major differences of perspective, complexity caused by multiple levels of government, overload, and insufficient incentives to identify interdependence. The limits to self-organisation may be particularly important in international contexts (e.g. Ostrom *et al.*, 1994). Cultural and political differences and insufficient insight into each other’s capacities are just some of the factors that may hinder cooperation. In addition, complex, cross-cutting policies such as the environment may require unprecedented forms of long term cooperation between actors in different policy areas. Hence, there are a number of reasons why self-organisation may fail, particularly at the international level. If everyone is busy tackling their immediate priorities, it is quite conceivable that some much-needed networks may never self-organise; or they may evolve in ways that are ineffective. Moreover, due to the complexities of working across policy areas, it might well be that nobody has either the resources or the incentives to find out why certain policy processes fail.

These situations call for more active government involvement based on the insights of strategic management theories (Challis *et al.*, 1988; Egeberg 1987; Hult and Walcott 1990; Metcalfe 1993; Klijn, 2003). Hence, it is quite conceivable that network management at the international level may require certain leadership tasks to be completed, such as designing the network, diagnosing frictions, spotting policy alternatives and ensuring that discussions continue. It involves carrying out network audits, and writing background documents with strategic and organisational analyses. Leadership may be needed to ensure that objectives are specified, to question the design when needed and to ensure that the right actors participate. Many other questions will have to be addressed, such as are the existing working methods appropriate? Are there sufficient means? Can barriers to cooperation be mitigated? What contributions can government – i.e. the Commission in the case of the EU – make? There may not be much point in imposing structures or objectives, but

managers may nonetheless stimulate critical self reflection by explaining the premises and consequences of alternative policy choices.

Thus far we have characterised the EU as an international organisation. In reality, the EU is actually a system of multi-level governance. Effective network management in the EU must therefore consider network capacities at different levels of government. At the EU level, networks have to be sufficiently equipped to arrive at agreements, monitor trends, share workloads and supervise implementation (see row 1 in Table 1). Different kinds of networks can be distinguished. At the lower end of the scale are the informal gatherings that do not have any form of network organisation (no rules or operating procedures on how often to meet, who prepares meetings, problem solving, etc.). Stronger networks have a tradition of meeting at regular intervals and have a central organisation that performs tasks ranging from purely secretarial roles to the network management tasks discussed above. Our hypothesis is that more difficult tasks – i.e. with more actors, issues and sensitivities involved – require higher-level networks. Complex subjects such as EPI will therefore require an advanced network.

At the national level, attention should be paid to the capacities of national administrations (row 2 in Table 1). In theory each of the partners in the network must be strong enough to ensure mutual trust. If, for instance, some countries are insufficiently equipped to participate in benchmarking exercises or to follow up results, peer group pressure will not work and ‘old-fashioned’ legislation may again be necessary (see Majone 1996; Everson *et al.*, 2001). But discussing the relative strength of national administrations is highly sensitive in the EU.

Ineffective networks, with weaknesses at the level of the participating organisations or at network level, require an impartial organiser to point out what needs changing. This may be particularly important in the EU in view of the differences in policy objectives and administrative means between Member States. It is often difficult enough for national officials to assess the consequences of an EU proposal for their own state. Considering what a policy or instrument demands in terms of a broader EU network spanning different sectors, actors and levels of governance is probably even more challenging and time consuming. Moreover, discussing the relative strength of national administrations is highly sensitive in the EU.



**Table 1: A Framework for Auditing EU Networks**

A: Macro-level: A classification of the capacities of the network at EU level	<ol style="list-style-type: none"> <li>1. Weak network: few meetings, not much formal organisation and no real leadership role.</li> <li>2. Enduring network with a leadership role of differing strengths: <ol style="list-style-type: none"> <li>2a. Weak: purely a secretarial role (little leadership, restricted to calling meetings and supporting the chair – e.g. the rotating Presidency).</li> <li>2b. Moderate: facilitating policy planning, policy distribution, horizon scanning for future policy alternatives.</li> <li>2c. Strong: undertaking strategic organisational tasks (e.g. overseeing the design of the network, stimulating new parties to join, auditing its activities).</li> </ol> </li> </ol>
B: Sublevel: coordination capacities of the actors in the network	<ol style="list-style-type: none"> <li>1. Role and resources of the coordination bodies: <ol style="list-style-type: none"> <li>1a. Intra-ministerial: the EU coordinating units in the environment ministries.*</li> <li>1b. Inter-ministerial: the roles of Foreign Affairs ministries and the Prime Ministers offices in national EU policy coordination.</li> </ol> </li> <li>2. Coordination capacities: <ol style="list-style-type: none"> <li>2a. Organisational procedures.</li> <li>2b. Horizontal coordination: informal relations and coordinating committees.</li> </ol> </li> </ol>

*Notes*

\* We do not study the environment coordinators in other ministries

Our argument thus far does not deny the horizontal nature of networks or the need to work with the forces in the network like a sailor uses the forces of the wind (paraphrasing Dunsire (1993)). Network management is not an alternative but a complement to self-organisation. Coordination remains a political process but it is possible to govern this pushing and pulling to some extent. “It is a matter of personal preference whether one regards this as politicizing management or managing politics” (Metcalf 1993, 174). Network management actually concerns the provision of a public good, i.e. serving the general interest of the network. However, it cannot go much further than helping to steer in network design, carry out network audits, ask critical questions and propose alternatives.

#### 4.4 A contingency view of network management

In International Relations and European integration theory, networks are often presented as though they were self-organising. For example, Haas (1992) and Peterson (1995) describe the role of epistemic communities and their influence on decision making. They argue that resource dependence and shared values lead to international policy coordination. Others are much more sceptical as regards the value of networks and network management. Kassim (1994), for

example, emphasises the fragmentation that remains in decision-making. Peterson’s argument is based on a biotechnology network with a homogenous interest (developing a new technology) and a strong incentive mechanism (to acquire financial support for networks). Kassim’s argument is based on the variety of interests and coordination costs. Both views emphasise particular situations, but they both leave the need for active network management aside.

These differences can be reconciled by using a contingency perspective on EU networks. The thesis that network management is particularly important in more complex situations can thus be defended. Crucially, networks will be more difficult to set up and will be less effective if the participants are more differentiated and if there are more sources of distrust. And network management may be relevant in different stages of the lifecycle.

## 5. Practical Coordination Challenges: Environmental Integration

In this section we argue that it may take a very long time to solve some complex problems if we have to wait for networks to self-organise. Our empirical study examines the EU's efforts to implement EPI. EPI is a revealing case to examine for at least two reasons. Firstly, thus far, EPI is the only integration requirement to be explicitly mentioned in the founding Treaties (initially the 1987 Single European Act; more recently in Article 6 of the 1997 Amsterdam Treaty). Secondly, it has a very high political profile, having been the subject of numerous European Council resolutions over the last decade. The EPI (or 'integration') principle, which states that environmental considerations should be integrated into the design, adoption and implementation of policies in 'non' environmental sectors such as agriculture, energy and transport. It involves, among others, assessing the environmental consequences of new policy proposals that are being formulated in the sectoral Councils to ensure they do not breach the EU's long term environmental targets. The integration objective requires environmental objectives to be included (by the leading DG in the Commission) during the preparations of the proposal and (by the Commission, Council and EP) during the negotiations in the sectoral Council and with the EP. Hence, EPI is an inherently multi-actor concept.

We examine the administrative requirements that the European Commission, Germany, The Netherlands and the UK have established for formulating more environmentally sustainable EU policies. The Commission is an obvious actor to study but we have also chosen to include the three states as EPI is a multi-level, multi-actor challenge. Importantly, these three have strong domestic environmental policies and/or have taken significant steps to implement EPI in their own jurisdictions. Therefore, they probably represent the best that the EU currently has to offer with regards to the implementation of EPI. As ours is a multilevel study, we will and examine the build up of coordination capacities at three administrative levels: the EU level, inter-ministerial relations and intra-ministerial relations. We also look at the capacities of the network in which the Commission and national environment departments currently operate (i.e. the EPRG – the Commission's Environmental Policy Review Group, which comprises very senior national and Commission civil servants).

## 6. Coordination: the Multilevel Administrative Capacity Requirements

Given the history of ambitious and high level political support, the frustration with EPI does not stem from a lack of political or legal commitment. Rather, following Table 1, this section offers a more thorough diagnosis which draws attention to the weak administrative capacities of the actors within the network to integrate environment into other EU policy areas. For both levels in the network, we review the coordination challenges as they emerged from the interviews and subsequently the coordination capacities.

### 6.1 Coordination capacities of the actors

#### 6.1.1 *What is required?*

Sustainability represents an attempt to reconcile the conflicts between different policy areas. As it affects all policy areas, it is highly labour-intensive. Consideration of environmental aspects does not amount to the Commission merely indicating what the environmental consequences are at an early stage in the policy cycle. Permanent involvement of environmental officials is necessary to ensure that the environmental dimension is considered during each of the negotiation phases in the various sectoral Councils. This makes it even more demanding on the limited time of environment officials. Therefore, 'integration' is only possible if the Commission and the Member States work together and if both levels of government have the required capacities to coordinate between policy fields. Hence, we have to examine whether sufficient capacities (staff in coordinating units, mechanisms to distribute information between departments in each phase of the policy cycle and problem solving mechanisms) exist at the EU and national levels.

On further inspection, EPI imposes a number of onerous administrative demands on the EU system. These administrative challenges underline the new levels of horizontal and vertical cooperation that are required to implement EPI. First, sector DGs of the Commission must give sufficient attention to environmental implications when a new policy is contemplated. However, as sectoral DGs have their own objectives, have to respond to sectoral pressures from their working environment and lack time, it is naive to assume that sector DGs will automatically give the environment equal status to their own, sectoral interests. Therefore, DG Environment must also monitor new policy proposals emerging from other DGs.

Second, sector DGs must ensure support from their sector Council. Commission officials from the sector DGs will be particularly motivated to keep an eye on environmental consequences if they know that the Council is actually keen on more ambitious environmental objectives. Hence, national officials that support DGs in the writing of new proposals in the experts committees already have to

indicate that their countries will support and subsequently monitor environmental implications. The link between the levels of government is clear: the Commission DGs will be motivated if their national counterparts show they are strongly committed to EPI (vertical interdependence).

Third, environment officials must shift their current focus on environment policy towards policy making in sector DGs and sector Councils. To put pressure on sector DGs and to ensure that officials negotiating in the sector Councils keep an eye on sustainability, officials from environment departments have to monitor during each phase of decision making. This means that national environment officials have to monitor national experts during early phases of policy making, so that the Commission knows that integration is being taken seriously. Both these observations underline the interrelationship between vertical and horizontal interdependence.

Fourth, to identify the major new policies in which integration is important, environment departments have to be able to work proactively on the basis of the workplans and agendas produced by the Commission and the EU presidencies respectively. This allows identification of the important new initiatives for the coming half year (presidency agenda) and year (Commission agenda).

Finally, thus far, the Netherlands and the UK have mechanisms for assessing environmental impacts of new national policies but these are not routinely applied to all new EU policies. As yet, Germany has no environmental appraisal system for policies. Meanwhile, the Commission is in a very difficult position as regards the production of (environmental) impact appraisals. No DG, least of all a politically weak player such as DG-Environment, ever wants to routinely intervene in the work of other DGs. There are also great difficulties associated with gathering sufficient data to do justice to the variety of impacts that a proposal could conceivably generate across the EU (e.g. water and waste are major problems in some countries but not in all). Combining national impact mechanisms would create a broader administrative basis as well as deepen insights into regional differences.

#### *6.1.2 Administrative capacities in the Commission and the member states*

Our interviews show that thus far, very little effort has been put into building the required capacities in the form of EU and national networks. Instead of collaborating in order to better coordinate, every one more or less expects someone else to implement EPI. Thus, national officials and politicians expect the Commission to come up with greener proposals and to safeguard the consistency between environmental and sector policy by coordinating between DGs internally. For example, Michael Meacher, UK Minister for the Environment, noted:

"What we need is a continuous political dialogue, not within the councils but within the Commission, where there are real problems.... [B]reaking those [Chinese walls] down and getting [the DGs] to talk to each other in the preparation of policy I think is the single most important area of improvement" (House of Commons, 1999, 52).

This view first of all assumes that even if the Commission were to come up with sustainable proposals, the sectoral ministers in the Council would then continue to defend integration during subsequent political negotiations. Secondly, it ignores the fact that the Commission is too small to take on the extra workload and is itself divided into competing DGs. Moreover, the administrative ideology in the Commission is such that the sectoral DGs are expected to produce sustainable policy proposals themselves. As a result, DG Environment can focus on its own policies and is liberated from monitoring policies in other DGs. However, as one might expect in any public organisation, the differentiation within the Commission is such that sectoral DGs focus on their own sectoral objectives. The sectoral DGs are usually willing to consider environmental objectives, but not to the extent needed to deliver sustainability. Therefore, sustainability cannot be guaranteed unless environmental experts are actively involved. Due to the focus of DG Environment on its primary policy objectives - i.e. on environmental policies under its own direct responsibility - pressure on the sectoral DGs to produce sustainable proposals does not come from within the Commission, but often from environmental pressure groups. NGOs rarely have the resources to campaign across all EPI-related issues simultaneously, and cannot be expected to know what is emerging across all policy sectors. Hence, the pressure for integration needs to come from national administrative officials involved in the initial formulation – i.e. from the national sector experts.

This shifts the attention down to the capacities for integration at the national level. Again, our interviews show that instead of an understanding of collective responsibility and interdependence, national officials in the three states do not have the time to focus on agendas in other policy fields, and prefer instead to concentrate on their sectoral objectives. Despite great improvements in cooperation between ministries and a broadened basis for environmental objectives, there are still large differences between sector and environmental officials. Consequently, working across departmental boundaries remains difficult.

As the Commission cannot supervise all negotiations, the Member States themselves will have to continuously consider the environmental aspects during negotiations in the Councils. Well-developed inter-ministerial networks are needed to keep EPI on the table in the upstream and downstream phases of EU

policy making. Inter-ministerial cooperation should facilitate the examination of Commission and Presidency agendas to identify priorities, to formulate ambitions in each policy field, to continuously exchange information between departments and to solve problems in a proactive way. This kind of forward-looking agenda setting between departments is only developed in the UK (Bulmer and Burch, 1998). Commission and Presidency agendas play no noticeable role in triggering coordination in the Netherlands and Germany. On paper, the UK coordination system is equipped to deliver proactive coordination. In practice, departments do not routinely undertake environmental appraisal so environmental information does not flow freely. The environment department has not invested in a sufficient number of officials who can actually monitor the UK's involvement in other EU policy fields. Consequently, this effective 'hardware' is of little use (Jordan, 2002). Finally, looking at the country studies, the national inter-ministerial networks necessary for scrutinising Commission and EU presidency agendas have remained too weak to set priorities and to monitor the relevant negotiations.

EPI also demands a thorough reconsideration of the roles of national environment departments. These departments have hitherto concentrated almost exclusively on the Environment Council, instead of becoming deeply involved in policies in other Council areas. Given the time constraints in other departments and the differences in objectives, sustainability requires environment departments to play a new role in terms monitoring other policy fields more closely. So far, the environment departments in all three countries have not substantially reformulated their roles in this respect. In addition, environment officials assume that sector experts will incorporate environment objectives voluntarily. Importantly, there seems little awareness of the need for horizontal cooperation or that integration requires additional investments in resources such as new staff. In short, the need to switch from stand-alone environment policy making to integrated policy making has not been matched by a strategic rethinking of environment departments across the EU.

## 6.2 Coordination capacities in the network

### 6.2.1 What is required?

As should now be apparent, EPI is a multi-actor, multi-level problem *par excellence*. Crucially, no single actor can deliver EU-EPI on its own. Multiple sources of political pressures are needed simultaneously i.e. from environmental departments at the horizontal level and from the Member States on sector DGs. Occasional strategy papers from the Commission have identified the need for a network of senior environment officials from Member States and DG Environment. Our research shows a need for a network that identifies priorities on EU agendas, divides responsibility for monitoring relevant negotiations (as no Member States can monitor all policy fields), and combines the expertise to

subject new proposals to an (environmental) impact assessment. This would allow burden sharing in preparing and monitoring negotiations with sectoral DGs and Councils.

In addition, in view of the weaknesses at actor level, the network will need to have a mechanism to address the capacity deficits. If work is divided – i.e. if it is agreed which groups of states will monitor particular policy fields – then the states also need to have the abilities to undertake (environmental) impact appraisals and monitor the negotiations in the sectoral councils. If not, any EPI network will fall apart. This shows that an EPI network would need to have strong secretarial roles to scrutinise relevant agendas, to monitor progress, and to audit the required administrative capacities at Member States level and to monitor progress.

### 6.2.2 The capacities of the network

The high level political emphasis on achieving 'integration' has yet not resulted in an EPI network that can manage the interdependence between Member States, and between national and EU levels. There is already one network that seems to be best placed to be the seed of an EPI network, i.e. the EPRG. However, it is almost exclusively focused on the strategies pursued by the Environment Council. It does not play a strategic role in relation to wider Commission or Council agendas; DG Environment has weak secretarial tasks not assumed a central role in this body, and so the networking functions mentioned above go unimplemented. The reasons for this include: its almost exclusive focus developing new environment policy; the acute sensitivity about working across boundaries within the Commission; insufficient resources; and the implicit administrative ideology that other DGs are responsible for policies in their fields.

To conclude, an effective EPI network simply does not exist. In fact, the situation is even worse than that: because the White Paper suggests that networks are self-managing, the problem is effectively assumed away and so nothing is being done to create one. Presidencies occasionally organise a multi-actor workshop to consider why integration is not moving forward, but these are all too rarely followed up. So far, the EU has fallen back on a Council-led reporting regime dubbed the 'Cardiff process', through which each Council formation develops its own integration strategy embodying long term targets, timetables and integration indicators. Absent any sustained administrative coordination, it is not surprising to discover that the strategies published thus far vary hugely in their coverage and ambition (Wilkinson *et al.*, 2002). Most do not even mention cognate sectors, *et al.*, one identify steps that could be taken to reduce costly, inter-sector spillover effects (e.g. economic activities pursued by one sector that produce costly environmental damages for the environmental sector to remedy).

## 7. Deepening the Governance Debate in the EU

The question of how the EU can be kept manageable is both timely and important. Traditional harmonisation of legislation has to be reconsidered in view of the growing differentiation of countries, the lack of willingness of governments to conform to EU policy, the low level of public involvement, and the doubts about the quality of policy. The White Paper demonstrates that the Commission is mainly thinking of a partial withdrawal from (supranational) government i.e. less detailed EU policy, decentralisation, soft coordination instruments between Member States, and a reinforcement of the Community Method to focus on clear policy lines. This should be supplemented with more dialogue with civil society to improve the legitimacy of EU policy.

These proposals are hitched to neo-liberal good governance ideas advocated by the World Bank and pursued by many Member States. The wish to have less government, less detailed policy and flexible policy instruments provides an understandable starting point for deepening the debate about the governance of the EU. However, the Commission's proposals lean too heavily on a network vision of governance, which was originally developed at the national level. We have shown that problems emerge when it is transferred to the European level, not least an inability to address policies that span policy sectors and require greater coordination.

Even though networks feature strongly in the White Paper, the Commission's vision assumes self-organising cooperation. This may be more realistic within the borders of one country or within a particular policy domain with a homogenous objective that meets Ostrom's criteria. Evidently, network management is difficult at any level of government. However, it can be particularly demanding in the EU, with its many actors and nested levels. Our empirical study uncovers some of the complicating factors, namely: intra-Commission relations; the need to exert simultaneous horizontal and vertical pressure; the need to combine administrative capacities of Member States into a coordinated European framework; the difficulties in gaining an overview of the capacities at Member States level; and the sensitive problem of how best to identify current weaknesses at the national level. As a result, EPI suffers from: major differences in administrative capacities; poor coordination in the Member States and in the Commission; weak network relations; lack of time; and ineffective common planning and priority setting. In addition, there is a danger of insufficient leadership as national and Commission officials lack incentives to assume this role. Finally, analysing networks at EU level and understanding the multilevel exigencies is not something national or EU officials are usually familiar with, or even capable of doing in view of lacking management skills.

As our empirical account shows, a coordinating network has not self-organised itself in response to EPI in the EU. This is not to say that networks are unimportant, only that in the EU they retain a strongly sectoral focus, which is entirely at cross purposes with the cross-sectoral emphasis of the EPI requirement. In effect, what arises is a "policy mess" (Rhodes, 1985, 11; Rhodes, 1997, 13) in which a particular cross-cutting policy problem (in our case EPI) spans a number of discrete sectoral networks. Other than high level reporting activities such as the Cardiff process or intermittent bursts of coordination driven by short term crises or intensive pressure group lobbying (Lenschow, 1999), there is very little obvious horizontal articulation.

Time will tell whether an EPI administrative network eventually self-organises or has to be deliberately created by the Commission. Either way, one thing is already abundantly clear: effective European networks may require considerably more central steering than the White Paper appears to assume. We have only been able to look at what extra administrative capacity is needed to better coordinate environmental policy, but our study now needs to be supplemented with similar accounts of other areas of EU activity where the need for greater coordination is equally pressing (for example, see: Peters and Wright, 2001). Such studies should make the Commission more aware of the dangers of assuming that EU networks will self-organise in responses to coordination challenges. Our own study reveals that the Commission should now show more leadership in diagnosing weaknesses in networks and proposing alternative actions. This in turn requires the active support of member states and in particular Heads of State. It also assumes that states have sufficient capacities in place too. Thus far, the real administrative challenges to achieving better coordination in the EU networks have not yet found a place in Europe's governance debate.

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