The Accommodation of Diversity in European Policy Making and its Outcomes: Regulatory Policy as a Patchwork

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European regulatory policy - making unfolds in the context of the diverse regulatory interests and traditions of member states. The latter meet in the European arena, have to be balanced and brought to a compromise. As a result European regulation often gains features of a "policy patchwork" in which diverse regulatory approaches are linked under the roof of one and the same Directive. Alternatively, one European measure may be modelled after the regulatory style of one member state, while the next follows the regulatory approach of another. Thus, in the field of clean air policy some Directives are shaped according to the German tradition geared towards technology-based emission control while others are patterned after the British model of regulating ambient air quality. The distinctive regulatory elements are not systematically linked in a comprehensive European policy scheme, but simply added to each other.

The patchwork character of European regulatory policy is the result of a process of interest accommodation which shows specific patterns of coordination. The latter and their results are the object of investigation here. The analysis starts from two assumptions: First, it is assumed that
member states have diverse national regulatory traditions and diverse economic interests. Secondly, we assume that they seek to maximize their utility in European policy making in the context of the existing institutions. [1] Against the background of these assumptions the questions to be dealt with are: What typical informal process patterns (under the given institutional framework) emerge and what types of policies do they typically produce? The process of accommodation of interest diversity in Europe varies according to the institutional conditions of the specific phase of policy-making, i.e. problem definition, agenda-setting, drafting of legislation and policy formulation (see also Richardson 1996). Thus, it makes a difference that there is a right of initiative by the Commission, or that qualified - majority voting (QMV) may be used in the Council etc. It is hypothesized that, depending on the specific stage of European policy making - and its institutional setting, typical patterns of informal coordination among actors evolve: first, a strategic "first move" is used in problem definition and agenda-setting; secondly, a phase of "problem solving" in the early states of drafting; third, the linked patter of "negative coordination, bargaining plus compensation" (Scharpf, Mohr 1994:37) dominate the formal decision process.

New initiatives in European regulatory policy-making are, to a significant extent, engendered by the regulatory
competition among highly regulated member states which seek to influence European policy-making in order to shape it according to their own traditions (see also Richardson 1994:139). This competition gives rise to the first pattern of coordination of interest diversity which is characterized by the strategic "first move" of one country and "unilateral adjustment"[2] of all others during problem definition and agenda setting. A "first mover" is successful only if the Commission, which functions as a "gate-keeper" adopts the policy proposal of the "first mover". The initiator then has a chance to define the scope and nature of problems dealt with by European institutions and shape the European policy agenda, whereas the other member states are forced into a reactive mode. In defining the problem, the "first mover" also suggests a practical approach to solving the problem which he defined. Consequently, it may carry its "initiator" advantage into "problem solving", the second coordination pattern, and anchor its regulatory approach, its "frame" (Tversky, Kahnemann 1981) in drafting European legislation. If not seriously challenged by an opposing approach by another highly regulated state, problem solving subsequently proceeds within the regulatory "frame" defined by the "first mover". This provides him with a considerable advantage in policy definition. During the final political decision-making phase, the third informal patterns of "negative coordination, bargaining and compensation" (Scharpf, Mohr
1994:37) emerge.[3] At this point it is the most difficult for the "first mover" to maintain his structural advantage because distributional questions are at center-stage.

It is further hypothesized that, specific paths of coordination emerge through the different stages, depending on the nature of the issue on hand, its complexity or easy accessibility, its distributive or distributive character. From the viewpoint of the "first mover" and its relative success in pushing through an initiative, one may distinguish between four different paths of coordination: the "clear home run", the "moderated home run", the "saddled home run" and the "thwarted home run". Each path in turn has a specific impact on the basic features of the policies produced, especially with respect to their homogeneity. If the "first mover" has to make considerable concessions with respect to the policy principle proposed, the final policy often contains diverse national principles, thus in the case of the "thwarted home run".

In the section 1, the hypothesized patterns and their results will be analyzed at a general level. In section 2, they will be illustrated by key Directives in the field of clean air policy, namely industrial emissions.[4]

1. Process Patterns in European Regulatory Policy Making
1.1 "First Mover" Advantage and "Unilateral Adjustment"

The expansion of regulatory policies[5] in Europe may often be traced back to the initiative of one member state.[6] It is especially countries with a strong regulatory tradition that approach the Commission with a policy proposal for a problem which, in their view, calls for Community measures. Needless to say, the proposal put forward by the "first mover" corresponds to its economic and interests and regulatory traditions. In doing so the initiator seeks to widen the scope of European policy-making according to its own preferences and to transfer its own regulatory style to the European level. The reasons why highly regulated member states engage in such a step, are as follows: First, they seek to avoid the costs of 'institutional and legal adjustment that are caused by European legislation. Secondly, they try to establish favourable competitive conditions for their own industry by raising European environmental standards to their own national level. A third motive is that suggesting more stringent technology-oriented environmental rules enhances the market for national environmental technology industries. Fourthly, by preventing more lenient European regulation, national authorities seek to maintain their bargaining power with their own industry because the latter can not point to looser European standards when they are required to implement national standards. The mentioned five reasons explain why European
regulatory policy making often amounts to a regulatory competition among highly-regulated member states.

In addition to the motives of member states outlined above, an institutional rule, typical for European environmental policy making[7], favours regulatory competition. An environmental policy framework decision of the 70s obliges member states to inform the Commission about all community relevant drafts of national primary and secondary legislation (notification). Member states are to suspend their decision processes until the Commission has decided within a given timespan, whether European legislation will be undertaken in the same area. If so, the Commission has to submit a legislative draft within five months (Weinstock 1984:310). Because of this principle, national and European policy initiatives are automatically linked, encouraging the diffusion of national regulatory measures by means of European legislation.

Whether or not a member state is successful in shaping the European regulatory agenda by utilizing the "first-mover strategy" depends upon the response of the Commission. The Council cannot take any policy measures unless the Commission has put forward a corresponding proposal, the Commission functions therefore as a "gatekeeper". In this "gatekeeper" role the Commission is confronted with a variety of regulatory proposals by member states of which
the individual countries might be unaware. From the multitude of policy proposals the Commission chooses the ones which it wants to put on the legislative track. The highly-regulated member states, for their part, may be regarded as innovative policy-entrepreneurs in the European regulatory market, offering their "products" to the Commission.

"The Commission officials listen (in the committee as in informal proconsultations) to everybody, but are free to choose whose ideas and proposals they adopt. This behaviour opens up great chances of influence for certain individual experts who, because they present ideas which are in line with the Commission's interests, may thus act as "partisans" (Eichener 1992:54).

The Commission's responsiveness to such policy proposals is no act of generosity. Having relatively little personnel of its own, it depends upon member states to provide policy expertise. Also, the Commission as a corporate actor is interested in expanding regulatory policies in order to enhance its own power reflecting the very limited financial resources of the European Community (Majone 1994). However, whether or not, the Commission responds favourably to the policy initiative of a "first-mover" member state ultimately depends upon whether this proposal fits into the overall policy-making philosophy of the European Community as such. Currently, this means that it has to be compatible with the subsidiarity principle.
If the "first mover" is successful in winning the support of the Commission, its policy proposal - along with the national problem-solving approach - gains access to the European political agenda. The initiator "anchors" its problem definition and policy approach in the subsequent drafting phase and offers a "frame" for "problem solving" (Tversky, Kahnemann 1981)[9] which is underpinned by special expertise in this field. A successful first move in problem definition and agenda-setting may be regarded as an attempt to secure a positional good (Hirsch 1978): Once one member state has shaped a policy proposal and - in collaboration with the Commission - has defined the problem-solving approach and the policy agenda, the respective opportunities for the other member states automatically decrease. In what follows, initially they merely respond and to some extent adapt unilaterally to the policy proposal advanced by another member state.

However, considering an entire field of regulatory policy making, a pattern of first moving "à tour de rôle" emerges: Yet, being the "first mover" once does not mean always being the "first mover". In view of the diversity of the Community the Commission carefully avoids adopting the proposals of one and the same member state. In other words there is no "structural first mover". This is in part because member states watch each other carefully and suspiciously during
the stage drafting when an issue once has left the secluded
dialogue between one member state and a division of a
Directorate General and has come out into the open. As a
result, taking environmental legislation covering a number
of directives and regulations as an example, the benefits
gained by being the "first mover" and shaping European
policy making as well as the costs of institutional and
legal adjustment spread quite evenly among the regulatory
ambitious member states. As a consequence, a picture of
diffuse reciprocity of benefits and costs[10] emerges in
which "actors expect to benefit in the long run and over
many issues, rather than every time on every issue"
(Caporaso 1992:602).

The attempts by member states to act as "first movers" in
problem definition and agenda-setting are facilitated by one
recent change in institutional rules and - at the same time
- are made more difficult by another new institutional
development. While on the one hand under the unanimity rule
the regulatory wishes of other member states can be fended
off easily and the need to bargain is pronounced, under the
qualified majority rule the "danger" of being subject to an
"alien" regulatory style has increased. Hence, the
motivation for member states to act as "first movers", to
play an active role in regulatory competition and to put
forward policy proposals of their own, has increased under
the qualified majority vote. Of course, one could argue that making the first move does not necessarily imply a policy advantage, but may immediately trigger the formation of an opposing coalition seeking to obstruct the "first mover's" policy proposal. Yet, under the given institutional conditions of problem definition and agenda-setting in European regulatory policy making, this is rather unlikely. The reason is that these first steps in problem definition and agenda-setting are taken under circumstances of exclusiveness and secrecy. The Commission (or, more precisely, a division in a Directorate General) is confronted with various policy proposals and has considerable latitude in choosing among the policy options of the European "policy market" (Peters 1992:75f). It is not obliged to inform the other member states at this point of time about who has suggested what, why and when. Nor is the Commission obliged to discuss the consequences of a policy proposal in a central arena and to point out the costs and benefits implied for member states.[11] This relative insulation of problem definition and agenda setting follows from a central institutional aspect of the political architecture of Europe. The activities of the Commission do not have to follow a general legislative programme of a popularly elected European government which is held accountable by a majority in parliament (see also Hull 1993).
However, due to the institutional ambitions of the European Parliament the very conditions of seclusion have recently come under attack. Members of Parliament demand to be informed about all planned measures of the Commission at an early stage so that the costs and benefits of these measures may be debated publicly and extensively in the European Parliament.\[12\] This would imply a much earlier politicization of European policy making and would reduce the chances of securing a "national home run" by making the first move and "anchoring" a particular regulatory approach in the early drafting phase.\[13\] Bargaining processes and compensation mechanisms would emerge much earlier in the decision process.

From the perspective of less-regulated member states, applying the "strategy of the first move" is less attractive. A complete absence of European regulation is considered to be the most favourable solution because their lower standards in the production process constitute a competitive advantage in an integrated European market. As a consequence, they tend to "sit on the fence", watch the development of the policy debate and jump on the bandwagon later on and/or have their vetos "bought off", i.e., accept a compensation for acquiescing to the proposed legislation. Also, at times, calculated non-implementation makes it easier to support a new regulation in policy formulation.
Considering both, highly - and less regulated member states and their preferences, the following priorities emerge: For highly-regulated countries, the highest benefit accrue from solutions which follow their own national regulation. The second-best solution is when European legislation incorporates at least a substantial part of their own policy concept, although some concessions must be made. The worst outcome is a non-regulation of production processes (the default condition) since in an integrated market it involves a competitive disadvantage. Conversely, in the eyes of the less-regulated states, no solution is the most favourable "solution". A mixed solution is second best and - finally - a measure which corresponds to the proposal of the highly regulated states is the most expensive option.

1.2 Problem solving

After a "first mover", jointly with the Commission, has defined the problem, suggested a way of dealing with the latter and set the agenda, a coordinative pattern emerges in the early drafting process, namely, which has been called "problem solving" (Mayntz 1994; Scharpf 1991; Scharpf/Mohr 1994). It links to the preceding pattern of "first moving" insofar as a successful "first mover" is able to define the
broad "frame" in which subsequent problem solving takes place. In "problem solving", actors concentrate on joint production and - at least temporarily - put aside distributive issues.

"Point of departure ... of problem solving processes is <firstly>, a situation, in which changes are called for, as opposed to a situation which offers only an opportunity for utility maximization. Typically, secondly, processes the analysis of the problem and the definition of the objective of action which is considered to be the problem solution, are constitutive parts of the decision process in problem solving, whereas in rational decision making models the objectives (as types of benefits to be realized) are given. Thirdly, finally, there is an initial uncertainty in problem-solving as to the methods of achieving the defined objective target so that - in contrast to the model of rational decision making - the accent is not set on comparing costs and benefits of given alternatives but on finding possible solutions, a procedure which includes multiple attempts and trial-and-error behaviour" (Mayntz 1994:22; transl. A.H.).

Thus there are generally no "diplomatic behavioural patterns" and "no hidden power games" (IEP 1989:107). Rather a "denationalization" (Bach 1992:92) of regulatory policymaking occurs. Technical, scientific and legal experts, who are more interested in pragmatic problem solving (Majone 1994:91), dominate the debates. The more complex and the more technically oriented a regulatory question is, the more easily an insulation from distributive questions may be achieved, the more the discussions develop into a discourse of regulatory national experts. What was found to be true in
the field of health and safety (Eichener 1995, 1992), also holds good for environmental policy:

"The debates tend to move quickly to a level of technical details (about what is technologically possible and at which costs) so that technical expertise is a crucial condition for effective participation (...) The interest in the matter is an important corresponding variable, because the higher the interest is, the more resources will be invested in the committee work. Members report that delegates from low-level countries frequently prefer to listen to discussions to get early information on regulatory acts than to actively contribute" (Eichener 1992:52).

Specific institutional conditions of European decision-making render problem solving easier. For example, if working groups and committees are instituted over a longer period of time a learning process evolves which facilitates the development of "epistemic communities" and a mutual learning among national experts (Haas 1992): They tend to share problem views, professional knowledge, and a professional language. Consensus building across diverse national interests becomes easier. Two other institutional aspects facilitate problem-oriented discussions among national experts in the preparation of legislative drafts. The first is the role of the Commission as a process manager able to choose between policy proposals and to set the agenda for the Council.[14] Secondly, the fact that committees do not make decisions, but have only a consultative function,[15] makes problem solving easier. Often proposals for solving problems are collected, but not
selected by members of the working group (Eichener 1992). However, in the case of this coordination pattern, also, recent institutional developments may "disturb" problem solving in the future. If the European Parliament obtains the right to be fully informed at the outset about the work of committees (Lodge 1994: The European 12/29 1994 - 1/4/1995 ), distributive aspects will emerge much earlier and a politicization of the debate will ensue.

1.3 Negative Coordination, Bargaining and Compensation

When a problem solution has been elaborated by a working group, it is put forward for a decision in the Commission as a whole and, subsequently, in the Council and European Parliament. The linked coordinative patterns of "negative coordination, bargaining and compensation" become preponderant. Now actors focus primarily on specific costs and benefits. If an issue is perceived to be redistributive, the decision process rapidly becomes polarized and clear cut conflict lines emerge. The actors consider whether they are favourably or adversely affected by the measure (negative coordination). Those adversely affected fend off expected costs and signal their rejection of the proposal, using . Once the relative positions are clear, a bargaining process sets in and possible compensations are proposed to overcome the resistance of the "losers", provided that the nature of
the issue allows for such compromises (Benz 1992; Scharpf 1992:68). If there is only a choice between "yes" and "no" and/or monetary compensations do not seem acceptable (Scharpf 1992:70), a package deal may be struck in which a trade-off of benefits is sought over different issue areas. The larger the number of issue areas that are involved in such a deal, the higher the political level at which negotiations are conducted.

If a compensation to "buy off" the threatened veto has been found and a package deal struck, the question arises of whether the compromise is considered to be fair, i.e., whether costs and benefits accruing to the various actors from different issue areas are perceived to be well-balanced. Given the incommensurability of various kinds of costs and benefits involved over several issue areas (Scharpf 1992:77), this is not an easy matter. However, since there is no need for single-issue reciprocity, each actor making a concession can expect that, in return, others will make concessions in the (near) future. In other words: since specific reciprocity cannot be reached in every case, diffuse reciprocity becomes more and more important (Schmidt 1995:4). How is it possible that such a diffuse reciprocity comes about?
Of course, there is no institutional centre in the European Union which serves the explicit purpose of ensuring mutual fairness and equity and guaranteeing diffuse reciprocity above and beyond the turmoil of conflicting member-state interests. The Commission as the actor which comes closest to having an overview of the distribution of costs and benefits across issue areas and time, is itself not a unified actor. Rather, beneath the surface of a formal independence from national interests, divergent national and sectoral loyalties re-emerge very quickly.[16] Yet, there are informal mechanisms which again are rooted in the competition among member states that work to balance costs and benefits over issues and time. Member states jealously keep record of when and to whom concessions have been made. Since the number of involved actors is relatively small, a mutual control of the approximate reciprocity of measures and their balance over a longer period of time is possible. Thus, the institutional memory of the Council, or rather COREPER with its permanent representatives, functions very well when it comes to keeping track of concessions made by individual member states. In short, bargaining takes place "under the shadow of the future". Participants know that their relationship is not a merely temporary one, but is meant to be durable. They therefore think twice before ruthlessly seeking to maximize their individual interests.
Within a stable institutional framework such as the European Community, the willingness of a member state to make concessions is also enhanced by the fact that member states have to be "economical" in their opposition to proposed measures. Bearing in mind the "economics of vetoing", every actor is aware that he cannot constantly oppose all kinds of issues (Peters 1991). There is a "conflict among conflicts", and obstruction has to used "economically" across policy fields and time. In consequence, each country tends to strategically support issues which are closest to its heart and which offer the highest economic and regulatory payoff. In preparing negotiations in the Council, member states therefore carefully decide which issues on which they are not willing to make concessions, which are negotiable, and which can be "sacrificed" altogether.

Specific institutional rules, such as the unanimity principle or qualified majority decisions affect the extent to which actors are willing to make concessions. The qualified majority rule tends to enhance the anticipation of possible opposing coalitions, at the same time functions as a "shadow of hierarchy" speeding up negotiations (Scharpf 1992:25).[17] Member states may also use institutional resources in order to enhance their position in the bargaining process. A case in point is the Council presidency. The country holding the presidency can influence the decision agenda, give specific issues priority over
others, and by arranging the list of items to be discussed, prepare possible package deals. Another increasingly significant institutional resource consists of collaborating with the European Parliament. Member states, in the attempt to defend their position in the Council, seek the support of their co-nationals of different political parties. Also, domestic institutional resources may be used to strengthen their own position at the European level. Since the political arenas are interlinked (Benz 1992), member states may point to restrictions imposed upon them by their national parliaments in order to increase their weight. Vice versa, European restrictions may also be used at home in order to gain more room for manoeuvring in dealing with national parliaments.

1.4 Patterns of Coordination: Long-Term Perspective

Four possible paths emerge when one considers the informal patterns of coordination through the entire cycle of problem definition, agenda-setting, policy drafting and formal decision making. The first hurdle for an actor to take, of course, is to bring an issue to the attention of the Commission, to induce the latter to perceive the problem as a policy problem and to have the issue put on the European agenda. If this is achieved by a "first mover" it is in itself an important step in European policy making. This
holds good even if a member state does not succeed in imposing all its national views on how the problem should be solved at the European level, but has to accept minor or major modifications. Once this threshold is passed, the coordinative patterns may follow four paths, which are distinguished from the viewpoint of the relative success of the "first mover" in maintaining his initial advantage.

Under the first scenario, the "clear home run", the "first mover" convinces the Commission that a specific problem calls for legislative action at the European level, and that it should be dealt with in exactly the manner proposed by the initiating member state. The advantage of the "first-mover" strategy can be upheld because the policy problem is narrowly defined, highly complex, and of a technical nature requiring considerable expertise. The involved costs and benefits are not easily assessable. Under the second scenario, the "saddled home run", the "first mover" is equally successful in pushing through its policy initiative. It even causes a "bandwagon effect" in the course of which the Commission and other member states try to saddle it with additional - similar - proposals. In the end a quite comprehensive piece of legislation is enacted. In the third scenario, a "moderated home run" materializes. The initiating state realises its basic policy principles, but, has to make a number of concessions which, however, do
not jeopardise the basic policy approach. Under the fourth scenario ("thwarted home run" plus "policy mix"), the policy proposal of the "first mover", meets with the full-scale resistance of another member state. An opposing policy approach is suggested, possibly early on. This may be due to conflicting national regulatory traditions and/or the redistributive impacts of the original proposal. If the issue is easily accessible and has redistributive impacts, it quickly becomes a subject of wider concern and "negative coordination, bargaining and compensation" set in at an early stage. Compromises have to be sought. Either a third joint solution is developed, or alternatively, additional policy instruments are included from which member states can choose in order to reach a broadly set policy objective.

What particular scenario emerges - always assuming that the Commission is willing to share the problem definition of the "first mover" and to adopt the issue - depends on the specific features of the policy issue at hand. If an issue is technically and legally complex, if it is not easily accessible to the public at large, political saliency and the potential for mobilisation are low, the chances that it will be contested at an early stage are small. Epistemic communities tend to prevail for longer, unless a community with conflicting expertise materializes during "problem-
solving". If - by contrast - the issue at hand involves the redistribution of costs and benefits in a way which can be easily perceived, its potential for political mobilisation is considerable. The odds that it will not run through smoothly are high.

1.5 Regulatory Competition and Its Outcomes: Policy Features

Since regulatory policy - making is driven by competition by highly-regulated member states, it produces specific policy results. First, one would expect that the inevitable outcome of regulatory competition is an ever increasing and thickening network of European regulations. This is because member states are keen to transfer their own regulatory traditions to the European level and the Commission itself has a vested interest in expanding regulatory activities. Although this expectation is to some extent corroborated by the empirical development of European regulatory legislation, especially in the field of the environment, there are also countervailing tendencies also. Counter effects originate in the subsidiarity principle and the lack of support among member states for ever increasing and detailed European regulation. Recognising the changing tides, the Commission, in devising legislation has deliberately given more latitude to member states in policy implementation recently. Often merely policy objectives are
laid down while the choice of instruments to reach these objectives is left to member states.

A second important feature of regulatory policy outcomes — under the condition of regulatory competition — flows from the fact that there is no structural "first mover". As a consequence, no particular tradition dominates European regulation across the board. In a larger policy field. Rather, it resembles a colourful patchwork composed of various instruments and national regulatory styles which derive from distinctive regulatory backgrounds.

Yet even mere framework legislation may be a first step "on the slippery slope" of growing detailed European regulation, for the framework legislation often is only the "mother"-Directive upon which "daughter"-directives follow. Whereas the "mother" defines the general principles of action and the overall objectives, the "daughters" provide details of action to be taken. In this pattern of sequential self-commitment "the reasons for the consent to each subsequent measure are given by pointing out that an obligation has been created by taking the preceding decision" (Eichener 1995:38).

In the following section the different patterns of coordination, the typical paths along which they develop,
and their policy consequences will be discussed by using the examples of key Directives in clean air policy.

2. Combating Industrial Emissions into Air

2.1 Emission standards and Best Available Technology: Germany as a Pace-Setter

It was the Federal Republic which during the 1980s was quite successful in imposing its own regulatory style to the European level. It approached the Commission proposing to enact European emission standards for specific pollutants, such as Sulphur Dioxide, Nitrogen Oxide and dust particulates from stationary plants. It suggested incorporating its own problem solving approach, established under the German Large Combustion Plant Regulation of 1982, into European legislation. Although Germany acted as a "first mover" in the European decision process, it was the Scandinavian countries which - pointing out the problem of acid rain - had triggered off international measures (Geneva Conference and Helsinki protocols) in order to reduce long-range transboundary air pollution. As a consequence, the European Community, some members of which had signed the protocols specifying implementation measures, had to join in. Initially, the Federal Republic had resisted the Helsinki protocols. However - having come under strong
domestic pressure due to the discussion about the forest
die-back - it developed national measures to reduce
pollutants deemed to cause acidification. After national
legislation with relatively stringent emission-oriented
standards based on BAT and precautionary action (Large
Combustion Plant Regulation) was enacted in 1982, it was
only rational for Germany to carry its domestic solution to
the European level in order to avoid competitive
disadvantages for its own industry and costs of
institutional adjustment to a likely "alien" European
solution. The Commission, in its turn, was unhappy with the
lack of implementation of the previous air-quality control
measures in member states. Therefore it welcomed the German
proposal with its emission - and BAT-oriented approach.
Strong opposition was particularly voiced by Britain which
wanted to use an air-quality oriented practice based on
sound scientific evidence, prior to any further action. In
order to reduce political opposition, mere framework
legislation, a "mother-Directive" (Framework Directive on
Industrial Installations), was enacted in 1994 which
followed the German model. It defined the new approach as a
general principle without imposing specific emission
standards. Political conflicts did not ensue because costs
and benefits were not specified. The "mother" Directive
therefore - as far as its basic principle is concerned -
may be considered a German "home run". Anticipating that
controversies would arise once precise emission standards
would be at stake, the UK acquiesced to the Framework Directive under the condition that the emissions limits were to be decided only under the unanimity rule. 18) As expected, the decision process about the "daughter" Directive, the Large Combustion Plant Directive, prescribing Community-wide emission standards proved to be very difficult. While the Federal Republic, in collaboration with the Commission, was able to "anchor" its basic policy approach, that is combating emissions at source on the basis of BAT, a prolonged and bitter conflict ensued in the Council of Ministers between the Federal Republic, the Netherlands and Denmark on the one hand and Britain and Spain on the other hand in the Council of Ministers. Finally, after five years of negotiations the Large Combustion Plant Directive was enacted in 1988. The compromise struck upheld the general approach of problem solving proposed by the Germans.[19] However, inasmuch as absolute reduction of emissions was concerned, both the amount and speed of rebatement were substantially moderated. Hence, the path of interest coordination typical for the Large Combustion Plant Directive may be classified as a "moderated home run" by Germany.

Similar conflicts between the German influenced emission and BAT orientation and the British inspired air-quality
orientation are typical for other Directives in the field of European air pollution control. E.g., in the case of the VOICE (Volatile Organic Compounds) and the Hazardous Waste Incineration directives. The latter is an emission-oriented and BAT-based measure proposed by the Germans and supported by the Commission. It was enacted according to the concept originally proposed by Germany. The path of coordination which it followed, therefore also may be classified as a clear German "home run".

Similarly, the Directive on Volatile Organic Compounds started out as a German initiative, using its typical approach. However, due to its specific features, this policy proposal was contested from the very beginning. It affects a large variety of small and medium-sized plants and operations which call for distinctive regulation, producing a multiplicity of new proposed standards proposals. This detailed regulation, in turn, provoked the opposition of the UK which demands the use of an air-quality approach and, recently, went even further in suggesting that all member states with existing relevant legislation should be exempted from the European VOC regulation. The outcome of the negotiations which have followed the path of a "thwarted home run", is a policy-mix.

In all three instances, the Large Combustion Plant Directive, the Hazardous Waste Disposal Directive, and the
Volatile Organic Compounds Directive the Germans used the "first mover" strategy successfully, defined the policy problem to be dealt with and influenced European agenda-setting. However, their ability to maintain the initial structural advantage, varied.

2.2 Self-Regulation of Operators, Access to Information and Integrated Pollution Control: The UK as a Pace-Setter

2.2.1 Eco Audit and Access to Information

In other areas of the same policy field it was the British who successfully "moved first, defined the policy problem to be dealt with, urged the Commission to set a specific problem on the European agenda and to follow their national problem solving approach. Thus, the European legislation on eco-management and the self-regulation of operators (Eco-Audit and Management Regulation), the European legislation on the access of the public to information (Access to Information Directive), as well as integrated pollution control, followed the British example. The British acted as a "first mover" for the same reasons that the Germans had pushed the legislation mentioned above. Legislation on eco-auditing and eco-management as well as access to information was already in place in Britain. By transferring it to the European level, the costs of adjustment to corresponding
European legislation, could be avoided. Also the British did not want their industry to be the only one subject to the costs of such procedures. In the case of eco-audit, the British Standard Institution had developed a standard which was subsequently offered to the Commission as a policy model for European legislation. Under the impact of the subsidiarity principle the Commission was quite eager to go along with the "new" approach. The latter was in absolute contrast with the German regulatory philosophy, and therefore met with vehement opposition. However, Germany was outvoted in the Council and had to accept the new regulation. Eco-Audit clearly was a British "home run".

Policy making developed along similar lines in the case of the Access to Information Directive. Although problem definition and pressure to take action in this field originated in the European Council which urged the Commission to increase the transparency of European administrative decision processes (Lodge 1994), there - simultaneously - was an endogenous development in Britain pushing for access to information and the opening up of administrative processes. With its Environmental Protection Act the UK had introduced extensive rights for the public to inform itself on administrative authorization procedures. Not surprisingly, therefore, Britain very emphatically supported the proposal of the Commission to introduce an
Access to Information Directive on a community-wide basis and sought to shape the policy contents of the proposal according to their own notion. The Commission in turn was eager to realize this policy principle in order gain more insight into national implementation practices and their effectiveness at the local and regional level. "Problem solving" in this case was clearly dominated by the British and their support of the new openness. Apart from the strong opposition articulated by Germany, the formal decision process was not controversial among member states. Germany opposed the proposal on two grounds: the traditional secretiveness of its authorisation procedures and the reluctance of its industry to disclose information. The compromise which was finally reached in the phase of "negative integration, bargaining, and compensation" consisted of offering wide discretion in the implementation process.

Apart from these concessions which did not affect the core of the new policy principle, "Access to Information" and "Eco Audit" both are clear British home runs in European regulatory policy making.

2.2.2 Integrated Pollution Control
By contrast, the path of coordination emerging in the case of Integrated Pollution Control (IPC) reveals a British "first move" supported by the Commission, which subsequently was stopped by German opposition. Once more, the German and the British problem solving approaches clashed with particular vehemence. The British had already enacted integrated pollution control for air, water and soil in their Environmental Protection Act of 1990. The Commission used the British statutory expertise for the European drafting process and asked them to second a national expert to Brussels in order "to write the directive". Hence, the British in conjunction with the Commission successfully defined the problem and set the agenda. They proposed the introduction of quality standards which should be reached by emission standards set at the national level. However, this proposal was contested by the German government which fought the draft tooth and nail ("German environmental policy and its achievements are at risk" - interview Bundesumweltministerium Mai 1993). Instead, Germany proposed enacting community-wide emission standards and the use of BAT at every source. Other points of controversy related to the question of how to define "best available technology", whether economic aspects should be taken into account and whether and to what extent the public should be given access to the authorisation procedures. Due to this early polarisation, a number of drafts seeking to satisfy all interests involved were discussed, leading to a compromise.
draft representing a true "policy mix". In the final stage, however, Germany used its presidency in the Council to substantially change the draft. At very short notice a new proposal was submitted in COREPER which significantly altered the Commission's compromise draft. It met with the collective indignation of the other national delegations which accused the German presidency of attempting "to hijack the directive", whereupon the proposal was withdrawn (interview Dpt. of Environment, January 1995). Still, it succeeded in removing the "BAT escape clause", that is, the possibility of avoiding the best available technology at a given level of environmental quality. Yet, regional quality standards and national emission standards remained and special derogations were introduced for the Southern member states.

In summary, the development of this important new directive in environmental protection reveals a clear pattern: In the initial phase of problem definition and agenda-setting the Commission cooperates with the United Kingdom because the latter's problem definition and policy approach is congruent with the dominant problem solving philosophy of Community institutions. During expert consultations the British successfully anchor their problem solving approach which is geared towards an integrated approach using environmental quality standards and public access to information, much to the discontent of the Germans who see themselves off-side in
the regulatory game. When during the bargaining process of the formal decision the actual costs and benefits are taken into account, concessions were made to German demands. As to the "first mover", the British, they had to realize that what initially seemed to be an easy game, ended in a "thwarted home run" and a "policy mix" of diverse policy instruments.

3. Conclusion

European regulatory policy-making is characterized by regulatory competition among the highly-regulated member states who - by influencing European policy making - seek to enhance their competitive position in the European market and to reduce costs of legal adjustment. The regulatory advances are addressed to the Commission which - under the given institutional conditions of the European Community - functions as a gate-keeper and largely determines the chances of the member states' regulatory proposal to influence the European agenda. The Commission gains its powers from the fact that the European Union does not have an elected government with a policy programme that has found the voters' support and is supported by community-wide parties carrying a majority in parliament. The chances of influencing European policy-making by directly approaching the Commission, therefore, are relatively high, because they do not have to pass the institutional filters of a
parliamentary democracy governed by parties. If a "first-mover" member state is successful in gaining the support of a division of a Directorate General, it can shape the European problem-definition and political agenda. This "first-mover" advantage, however, may be lost again, once a policy proposal leaves the institutionally secluded stage of drafting and is put to a decision in the Commission as a whole, the Council of Ministers and Parliament. Distributive issues come to the fore which are the object of extensive bargaining processes, in the course of which compensations are offered to those who perceive themselves as the losers of a proposed new regulation. The need to coordinate interests and to compromise, explain the patchwork character of regulatory policy making in Europe.

Notes

1) Of course, member states also seek to shape institutional rules in order to enhance their national policy interests.

2) Lindblom uses the term parametric adjustment, if "...in a decision situation, a decision maker X adjusts his decision to Y's decisions already made and to Y's expected decisions; but he does not seek, as a recognized condition of making his own decision effective, to induce a response from Y; nor does he allow the choice of his decision to be influenced by any consideration of the consequences of his decision for Y" (Lindblom 1965:37; cited by Scharpf and Mohr 1994:8).

3) The coordination patterns of "first-mover strategy", "problem-solving" and "negative coordination/bargaining/compensation" correspond to the three styles of interaction "competitiveness", "cooperative..."
and individual/egotistic orientation" which - (based on Kelley/Thibaut) are discussed by F.W.Scharpf (Scharpf 1993).

4) The empirical data on 12 directives and regulations in environmental policy were gathered in a research project financed by the Deutsche Forschungsgemeinschaft. See Héritier, Adrienne, Knill, Christoph, Mingers, Susanne, (1995) Ringing the Changes in Europe - Regulatory Competition and the Redefinition of the State - Britain, France and Germany, Berlin, New York: de Gruyter Verlag; German version: Die Veränderung von Staatlichkeit in Europa, Ein regulativer Wettbewerb, (1994) Opladen: Leske und Budrich

5) New regulatory policies, the subject of our investigation, deals with the negative external effects of producers’ and consumers’ activities.

6) According to information from General Directorate 11 the largest proportion of regulatory proposals may be traced back to the initiatives of member states (interview GD 11, March 1993). Of course, some policy initiatives originate in the environmental action programmes of the Commission, in memoranda of the Council of Ministers, in initiatives of the European Parliament as well as in obligations derived from international treaties.

7) The Roman Treaties Article 102 requires that the Commission be notified about all planned measures affecting the integrated market. A French interview partner described the process of regulatory competition as follows: "La Commission cherche toujours ce qu’il y a de plus sévère que tantôt cela soit en Angleterre, que tantôt cela soit en Allemagne ... Il y a une compétition du plus sévère ... C’est comme si on était dans une piscine et qu’il fallait arriver le premier à l’autre côté. Ça c’est la compétition administrative ..." (Interview CNPF, Juni 1993).

8) Only in rare instances in our field of research, do negotiations among member states take place before the Commission is contacted. It may be the case in politically highly delicate matters, such as the recent joint endeavours by Britain and Germany to scale back existing regulations in European water quality standards.
9) The “frame” of a decision-maker in problem-solving is influenced by his norms, habits and characteristics (Tversky and Kahnemann 1981:453).

10) The diffuse reciprocity with respect to less regulated countries is achieved by compensations and package deals.

11) Even later on in the drafting process member states tend to complain that they are not informed by the Commission about on-going progress. "We are included in the drafting process by the Commission when information and expertise is needed. But the Commission does not feel much obliged to inform us in return on progress" (Interview Department of Environment, November 1994).


13) In the interlinked national and European policy network there is always the possibility for regulatory zealots to bypass their own government and to address the Commission directly in order to promote its policy objectives.

14) “With my experts I can get this <a regulatory draft> done in no time at all” - interview DG 8, June 1994)

15) The directives and regulations investigated here were subject of consultation in the committees.

16) Although members of the Commission are pledged to independence from national interests, national interests are short-circuited. in cabinet meetings and in contacts with other co-nationals in other cabinets.

17) Out of 233 decisions concerning the integrated market which had been taken by the Council of Ministers in five years, 91 were enacted against the opposition of one or several member states. Only the latter were put to a formal decision (Brown 1994).

18) Enclosed in the mentioned bargain between Britain and the Commission was that the latter withdraw a proposal on fuel gas which caused a lot of concern to Britain.
19) The BAT principle, however, was mitigated by changing it into Best Available Technique Not Entailing Excessive Costs. The technique implies that not only the best technological means should be used in order to reduce emissions but also includes "soft" aspects such as training for personnel dealing with pollutants as well as managerial aspects; further costs induced for industry are always to be taken into account.

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