

expensive and complex way of addressing some of the candidates' internal security problems, it was welcome to some interior ministry officials because it forced their concerns up the government's overall agenda.

However, the EU also offered additional concessions in other areas as compensation for the bad deal on free movement of workers. This outcome resulted from additional concerns on the part of the EU's negotiators about how far they would in future—after the accession of the new members—undermine the logic of appropriateness underlying important parts of European integration.

"Europeanization" is defined as a process of rule adoption for the purposes of this volume. Europeanization processes can certainly include calculation of material interest, but they can also involve changes in the logic of behavior driven by the absorption of EU norms, attitudes, and ways of thinking. These changes in behavior follow a logic of appropriateness, which in the cases of movement of persons explored here works in parallel with the logic of consequences.

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CHAPTER SEVEN

The Europeanization of Environmental Policy in Central and Eastern Europe

Liliana B. Andonova

The adoption of European Union (EU) environmental rules in Central and East European countries (CEECs) is strongly dominated by external incentives associated with EU membership conditionality. The environment chapter is one of the costliest parts of the EU *acquis*. It contains over 250 regulations developed over the course of decades, which have to be applied within several years in the relatively poor CEECs. Not surprisingly, the alignment with the EU environmental *acquis* is typically presented as a bitter pill that candidates have to swallow to advance their broader strategic objective of EU membership. EU law approximation and implementation in candidate countries has proceeded through multiple steps of intergovernmental and domestic bargaining, influenced by the linkage among EU markets, environmental regulations, and broader foreign policy objectives (Andonova 2003).

In this context of interest-driven strategic bargaining, has there been space for EU environmental norm diffusion through lesson-drawing or social learning? I will show that such norm diffusion has taken place in the context of East-West environmental cooperation. The influence of normative mechanisms was particularly strong in the early 1990s, when environmental protection was seen as a major policy failure of the fallen communist regimes and western regulations were promoted as the standards to aspire for. While normative diffusion gave way to hard bargaining in the course of accession negotiations, mechanisms of socialization and learning were still maintained to support the internalization of EU legislation in domestic policy systems.

My aim is to disentangle empirically the relative significance of the rationalist external incentives model elaborated in this volume on the one hand and of the constructivist variant of the lesson-drawing and social learning models on the other. I thus contribute to the theoretical agenda that seeks to bridge the

constructivist-rationalist divide in the study of international institutions and their effects. I will proceed to elaborate the argument that while lesson-drawing and social learning dominated EU influence in the early 1990s, external incentives became dominant with the onset of accession preparations and negotiations. This temporal variation allows us to specify methods for testing the significance of each mechanism over time. I trace the observable implications of each mechanism in controlled case studies of institutional influence and policy adjustment in the early and late 1990s. The cases cover the Environment for Europe process established in 1991, the framework of pre-accession environmental cooperation between the EU and candidate countries, and policy adjustment to EU air emission regulations in the Czech Republic and Poland.

Mechanisms of EU Influence

Two parallel approaches in international relations theory examine the influence of international institutions on state policies. The "rationalist" or neo-liberal perspective emphasizes the role of institutions in facilitating bargains among rational actors with a given set of interests through mechanisms that decrease the transaction cost of agreements, extend the time horizon of parties, and provide monitoring, issue linkage, and commitment mechanisms. Rationalist accounts that factor in domestic politics examine the change in state preferences as a result of shifts of domestic interests and coalitions under international constraints (see, e.g., Martin and Simmons 1998). The sociological or constructivist perspective, in turn, emphasizes the constitutive role of international norms, which can reshape state identities and even perceptions of interests. This perspective, similar to studies of international policy diffusion, also emphasizes the role of transnational learning, norm diffusion, persuasion, and socialization as mechanisms of institutional influence that are quite distinct from strategic bargaining (see, e.g., Ruggie 1998a, 1998b).

These two approaches to international regimes have developed largely in parallel to each other. Only recently have scholars emphasized the interplay of cognitive and instrumental mechanisms of institutional influence and the need to specify the conditions for their relative significance (Checkel 1997; Christiansen et al. 2001; Schimmelfennig 2001; Tallberg 2002). I look at the EU influence on the environmental policies of CEECs as an opportunity to specify alternative propositions about the role of instrumental and ideational factors of institutional influence. Because of the limited number of explanatory variables that can be analyzed in a set of controlled case studies, the analysis does not emphasize disentangling the conditions for the relevance of the lesson-drawing and social learning models. Instead, I focus on the common points of lesson-drawing and social learning as two models that have affinities with constructivism and compare their relative significance with the rationalist external incentives model. Lesson-drawing and social learning are thus viewed here as roughly the demand and supply side of a broadly

defined norm diffusion process in the context of environmental cooperation involving CEECs, the EU, and other international institutions.

As already indicated, it appears that a rationalist external incentives model may be the only argument about the EU's influence on environmental regulations in CEECs that can be seriously sustained. This model would posit that EU conditionality, or more broadly issue linkage of environmental regulations with geopolitical and economic objectives, influences domestic environmental politics and drives policy adjustment in CEECs. Even in the context of strong EU conditionality, however, it may be premature to dismiss the role of cognitive factors and learning in the diffusion of EU environmental rules.

We only need to go back to the early 1990s to discover conditions identified by the constructivist literature as highly conducive to norm diffusion and social learning. First, postcommunist countries inherited significant environmental degradation from communism. There was a public consensus that the environment was a policy failure that requires urgent attention, and thus a demand for lesson-drawing and transnational policy diffusion (Checkel 1999a, 2001; Dolowitz and Marsh 2000; Schimmelfennig and Sedelmeier, chapter 1). Second, environmental improvements were perceived as compatible with the broader democratization process and identity formation of CEECs as responsible to their citizenry. The ideational linkage between democratization and environmental reforms was reinforced by former dissident environmentalists, who became active policy entrepreneurs in postcommunist governments and spearheaded transnational epistemic networks. Third, and very important, western models of environmental governance were both seen and promoted as the "appropriate" models for the newly established democracies to follow. The identification of CEECs with the community of West European states and the desire to "re-integrate" in western institutions increased the salience of EU rules as models for social learning. Finally, the early reforms tackled broad principles of environmental governance set in framework legislations, which amplified the constitutive influence of international norms. As John Ruggie points out, the constructivist perspective is particularly powerful in explaining the shaping and diffusion of basic "constitutive rules" that define identities and practices, while the rationalist perspective has focused almost exclusively on what he calls "regulatory rules" intended to regulate specific actions or behavior (1998b, 22-23).

In sum, at the beginning of postcommunist transition, a number of conditions identified by the lesson-drawing and social learning models as conducive to transnational norm diffusion manifested themselves in CEECs: perception of policy failure, broad agreement on the compatibility of western environmental rules with domestic democratization discourse, transnationally proactive bureaucracies, aspiration for membership in the EU and other western institutions, active promotion of improved environmental governance by western institutions, and emphasis on setting the constitutive principles of environmental governance. While conditions for lesson-drawing shaped the "demand" for environmental policy transfer in CEECs, international institutions and cooperation "supplied"

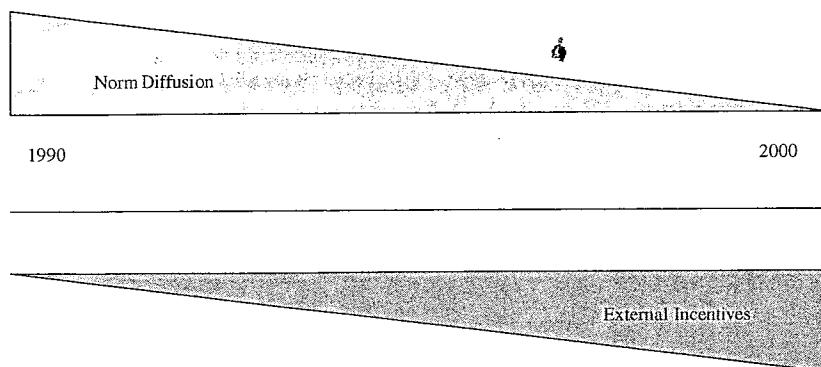


Figure 7.1 Mechanisms of EU influence on environmental policies of the CEECs

mechanisms for social learning by fostering deliberation, information exchange, bureaucratic networks, and technical assistance.

It would be misleading, however, to suggest that East-West environmental cooperation in the early 1990s was devoid of material interests. Efforts of CEE leaders to engage western states and international agencies in a dialogue aimed not solely at consensus-building and learning but also at securing financial assistance. Donors, similarly, tended to disburse aid according to strategic priorities in the region. Nevertheless, the linkage between policy reforms to incorporate western standards and material rewards remained very loosely connected in the early transition period.¹ A considerable portion of the assistance was provided to strengthen capacity for learning rather than for specific environmental reforms or investment, often raising criticism both by policymakers and analysts that expected an outcome-oriented, tit-for-tat cooperation (Connolly, Gutner, and Bedarf 1996). Thus, while both material bargaining and normative diffusion through learning were part of environmental cooperation between East and West in the early 1990s, it is possible to argue that lesson-drawing and socialization were the dominant mechanisms of international influence, as represented in figure 7.1.

As the CEECs signed association agreements with the EU and started to prepare for accession negotiations in the latter part of the 1990s, the focus of environmental reforms shifted quickly to the very specific task of adopting EU environmental legislation as a requirement for membership. Even the general discourse on the adoption of EU law did not focus on the appropriateness of EU environmental regulations for CEE candidates but on the costs and procedures associated with their adoption. The linkages among EU markets, environmental rules, and broader policy objectives shaped domestic responses to EU conditionality and determined

1. An important exception is nuclear safety assistance provided in the early 1990s, which was tied to very specific conditionality.

the speed and level of compliance with EU rules (Andonova 2003). As accession preparation and negotiations progressed, the factors facilitating the influence of external incentives became dominant: conditions became more specific, monitoring intensified, the credibility of EU conditionality increased (both via increased threats to postpone accession and via increased volume of assistance), and parallel conditionality increased as other multilateral institutions such as the World Bank and the European Bank for Reconstruction and Development (EBRD) incorporated the EU accession criteria into their portfolios for the region.

Nevertheless, mechanisms of socialization and learning persisted even in the context of interest-driven negotiations on compliance with the EU environmental *acquis*. EU assistance in the form of capacity-building and expertise-sharing continued throughout the accession period. It served as a social learning tool targeted primarily at CEE bureaucracies as well as an instrumental mechanism to ensure better monitoring (Grabbe 2001a; Sissenich 2002a). Trans-European nongovernmental networks among both industry and advocacy organizations were also strengthened by the enlargement process and became actively engaged in the promotion and diffusion of EU norms. Although such actors, particularly in industry, were often motivated by instrumental reasons, they generally used information-sharing, capacity-building, and suasion (Andonova 2003). In sum, during pre-accession preparations and negotiations, the dominant mechanisms of EU influence were exercised through external incentives, while social learning mechanisms served to ease and legitimize the process of adopting EU environmental legislation (see figure 7.1).

The above discussion of dominant mechanisms of EU environmental influence in CEECs suggests that the external incentives model and the lesson-drawing and social learning models are not necessarily mutually exclusive. These perspectives to institutional influence can be understood as “alternative” in an analytical sense as plausible explanations with observable implications. In reality, however, both external incentives and socialization mechanisms of EU influence coexisted, while the logic of appropriateness dominated in the early 1990s and the logic of consequences became dominant in the late 1990s. The question is then how can we disentangle empirically the relative influence of external incentives and socialization in the Europeanization of CEE environmental policies?

One method to address this question is to focus on the details in the policy-making process, trace specific aspects of the interaction between EU institutions and domestic politics, and examine to what extent these details match the observable implication of the argument specified above. One set of observable implications of the two propositions relates to the tools and mechanisms of cooperation likely to be prevalent in processes of learning and processes of strategic bargaining. In settings where ideation and constitutive influence prevails, we should see greater density of mechanisms such as network-building, capacity-building, framework agreements, and support for transnational expert groups. In a context dominated by the logic of consequences, there should be greater emphasis on institutional mechanisms such as monitoring, strategic information-sharing,

dependency of assistance on particular outcomes, and negotiations of follow-up procedures (table 7.1). Examination of the density of suasion and instrumental bargaining mechanisms is one set of evidence suggestive of which logic of influence prevails, but it does not give us sufficient evidence of the impact of these mechanisms and does not rule out the possibility that suasion mechanisms are simply instruments of strategic bargaining objectives.

To provide evidence of the actual impact of alternative mechanisms of international influence, we also need to document the motivations for policy change and policy outcomes as recorded in personal statements, parliamentary records, and government documents (Checkel 1997). We should search for gaps or disconnects among rhetoric, stated motivation, material interests, and policy outcomes to evaluate alternative hypotheses (Johnston 2001). For example, the adoption of EU norms despite recognized failures of financial assistance or rule adoption exceeding formal EU requirements may indicate strong influence of learning and socialization. By contrast, evidence of little policy action in support of principles embraced rhetorically or the reversal of internationally promoted principles as a result of a change in the strategic environment or material interests will indicate a weak impact of transnational learning and norm diffusion. Table 7.1 lists the observable implications of the conditionality and norm diffusion models of EU influence, which can be traced in cases of environmental cooperation and policy change through the 1990s.

Table 7.1 Observable implications of the external incentives and norm-diffusion models of EU influence over the environmental policies of CEECs

	External incentives	Norm diffusion
Tools of cooperation/ influence	Prevalence of instrumentality: —monitoring —assistance against outcomes —enforcement mechanisms —issue linkage	Prevalence of socialization: —networking —expert groups —framework agreements —loose connection between aid and outcomes
Policy motivation	Justified predominantly: —in terms of interests —in terms of strategy	Justified predominantly: —in terms of principles —in terms of group identification
Policy outcomes	—No policy action following agreements in principle or rhetorical action —Reversal of policy learning as a result of change in strategic situation or interests —Policy change reflects closely patterns of interest and power	—Exceeds strategic requirements —Materializes despite disconnect between expected benefits or material interests —Persists after change in material interests/ strategic situation

The argument of the prevalence of lesson-drawing and social learning mechanisms of EU influence in the early transition period and the dominance of external incentives in the process of accession negotiations allows us to construct a longitudinally controlled comparison to trace the observable implications of the rationalist versus the constructivist models. I examine two sets of events at each end of the temporal spectrum identified in figure 7.1. I first look at the “Environment for Europe” process of East-West cooperation, which was initiated in 1991 and continues to this date. I then compare the Environment for Europe process with the pre-accession environmental cooperation between the EU and the CEECs that developed in the second half of the 1990s. The analysis then moves to two specific cases of policy adjustment: air pollution regulations in the Czech Republic and Poland in the early and late 1990s. Both countries started environmental reforms early in the transition period, but the Czech Republic adopted EU rules on air pollution emissions in 1991, while Poland harmonized its air emission regulations with those of the EU in the late 1990s, allowing us to examine the different types of reform incentives across time periods and countries. According to the argument advanced here, in the Environment for Europe process and air pollution regulations of the early 1990s, the influence of EU and other international institutions should exhibit details that support the proposition of predominantly constitutive influence through lesson-drawing and social learning. The EU pre-accession environmental assistance and the harmonization of EU air pollution regulations in Poland during the second half of the 1990s, by contrast, should exhibit evidence of the dominance of external incentives over norm diffusion as a mechanism of institutional influence.

The Environment for Europe Process

The Environment for Europe process was the first pan-European forum of environmental cooperation after the fall of communism. It was initiated in 1991 by the Czechoslovak minister of the environment, Josef Vavrousek, who was a former dissident and active policy entrepreneur domestically and internationally. Vavrousek had originally proposed the creation of a European Environmental Council to steer cooperation. The EU was unwilling to set up a formal institution, instead supporting a more informal high-level process of cooperation and consensus building (Gutner 2002). This gave birth to Environment for Europe—a series of biannual meetings of European environmental ministers, donor agencies, other interested parties, and gradually representatives from the former Soviet Union countries as well. Following the first conference in Dobris Castle near Prague in 1991, ministerial meetings were held in Lucerne (1993), Sofia (1995), Aarhus (1997), and Kiev (2003). A network of policymakers and experts anchored at international institutions such as the Organization of Economic Cooperation and Development (OECD), the World Bank, and the Regional Environmental Center in Hungary,

was established to conduct the preparatory and follow-up work for the meetings. Environment for Europe was thus set up as a process driven by transnational policy entrepreneurs.

Since its very inception, the rhetoric and justification of the process focused on advancing a set of constitutive principles, lesson-drawing, and social learning in the region. There was high demand for lesson-drawing motivated by the perception of environmental policy failure in the former communist states, as attested by the Czech initiative to start Environment for Europe and the close epistemic network built around it.² Another central motivation expressed at Dobris and subsequent conferences was to generate financial assistance that would facilitate the convergence of environmental standards across Europe (Connolly, Gutner, and Bedarf 1996). Of the two main items on the Environment for Europe agenda—first, policy diffusion and institution-building, and second, coordination of financial assistance—the former became clearly dominant and more successful (Connolly, Gutner, and Bedarf 1996; Green 1991; Gutner 2002; Ferguson 1991; Moldan 2000; World Bank 1994).

Those hoping that Environment for Europe would generate significant financial assistance or even contribute to the better coordination of aid soon became disillusioned. Efforts to increase aid commitments at the Lucerne and Sofia meetings in 1993 and 1995, respectively, produced weak results. Donors ultimately preferred to maintain greater control over the allocation of aid by channeling it on a bilateral basis. Even the International Financial Institutions (IFIs) chose to prioritize environmental assistance according to their own standard procedures and operational rules rather than coordinate it within a broader international forum (Connolly, Gutner, and Bedarf 1996; Gutner 2002; World Bank 1994).

The failure of Environment for Europe to generate significant financial resources did not, however, result in an abandonment of the broader agenda of policy diffusion through social learning. The assistance channeled through the Environment for Europe process most effectively was “soft” money for capacity-building, policy networking, and strengthening of environmental institutions. Assistance was used primarily as a social learning mechanism to export ideas and policy styles, rather than as a means of reducing the transaction costs of specific agreements or of monitoring compliance.

Environment for Europe allowed for the exportation of a variety of policy styles and instruments, mostly from the West but also across transition states. Through its early PHARE program, the EU exported a relatively centralized and legalistic style of environmental policymaking, with emphasis on command and control regulations and the enhanced legal capacity of ministries of the environment. IFIs such as the EBRD, the World Bank, and the OECD promoted a more flexible approach to environmental management, emphasizing economic instruments, cost minimization, and priorities involving measurable health effects and cost-benefit

2. Author interviews with close associates of Josef Varvrousek and with representatives of Green Circle, Prague, November 1997. See also Meadows (1996) and the speeches by Joseph Vavrousek published in Huba and Novacek (2000).

analysis. The United States promoted its own regulatory style emphasizing economic instruments and tying environmental assistance to democratization and a stronger civil society. The Regional Environmental Center, which has its headquarters in Hungary, was funded with U.S. assistance to support environmental NGOs and public participation across the region (Francis, Klarer, and Petkova 1999; Moldan 2000; World Bank 1994).

The specific policy outcomes associated with Environment for Europe also attest to the dominance and success of transnational norm diffusion and learning. The forum, along with supporting institutions like the World Bank and the OECD, provided assistance for the development and adoption of National Environmental Plans that set priorities for reforms. Although the National Environmental Plans were only programmatic documents with no legal force, they were important in strengthening capacity for the young environmental administrations, especially in states that did not have the resources or management expertise to produce national programs. The existence of National Environmental Plans and review procedures within the Environment for Europe framework also enabled societal advocates to monitor more closely the work of governments and to hold them accountable for delays in environmental reforms.

The collaboration of experts within Environment for Europe also accelerated the adoption in the CEECs of framework legislations for environmental protection. Both donors and recipients of assistance established a shared understanding and support for shared environmental norms such as the “polluter pays” principle, the precautionary principle, and the right of access to information, all of which were reflected in the newly adopted framework legislations of the transition countries. In most cases, framework laws closely followed the constitutive principles of EU legislation in anticipatory support of the countries’ EU membership aspirations, but policymakers and legislators did not engage in the type of line-by-line comparisons with EU legislation that would later be required by the EU harmonization process. A study of the Regional Environmental Center in 1996 on the level of approximation of EU environmental legislations revealed that by 1995, all of the CEECs except Estonia, Latvia, and Romania had achieved well over 50 percent proximity between the domestic general environmental regulations and those of the EU. Legislation on nature conservation, in which post-communist countries had strong traditions, and framework environmental legislation were the areas in which the countries most eagerly aligned with EU principles.

Another notable institutional outcome associated with Environment for Europe was the establishment of extra-budgetary environmental funds across the region as mechanisms for soft environmental financing. Such funds were intended to fill the gap between high investment needs for environmental improvements and lack of both private and public resources in transition countries. The funds generated income from pollution taxes, penalties, and, in some instances, budget allocations and foreign resources and also offered soft financing for environmental investments. This institutional innovation was developed first by a few leading

reformers, such as Poland, the Czech Republic, and Hungary, with the support of experts from IFIs. Thanks to the active support of the Environment for Europe process, the fund system spread to virtually all transition states in Europe and Central Asia. Although environmental funds have different capacity across states, reflecting domestic political and economic constraints, they have been important in generating revenue and indicate internationally induced institutional convergence across the region (Francis, Klarer, and Petkova 1999).

The crowning achievement of Environment for Europe was the adoption of a pan-European convention on access to information at the Aarhus Conference of Ministers in 1997. The convention is an intergovernmental agreement of European states that gives a legal status to Article 10 (covering access to information and environmental justice) of the Declaration adopted at the 1992 World Summit on Sustainable Development in Rio de Janeiro. The Aarhus convention was a result of years of work by networks of NGOs, policymakers, and environmental bureaucracies, supported by the Environment for Europe framework and the Regional Environmental Center (Jendroska 1998). It is notable that this convention went beyond the immediate strategic objectives of the CEECs, which by 1997 were already focused on the environmental requirements of EU accession. The convention established a new and binding pan-European agreement, both for the EU and CEECs.

In sum, the Environment for Europe process initiated in the early 1990s exemplifies the power of normative influences of the EU and other international institutions on the environmental policies of CEECs. In this forum of cooperation, international influence responded to a demand for lesson-drawing and was exerted by donors not so much through strategic bargaining and contracting but through a process of social learning that emphasized networking, deliberation, and the exchange of information, policy advocacy, and institution-building. The process influenced the principles of policymaking in transition states, despite its failure to respond to their strategic objective of a substantial increase in financial support. It resulted in instances of striking convergence of policy and institutional forms, despite the persistent differences in economic development across postcommunist states.

EU Pre-Accession Cooperation

As the CEECs started formal pre-accession cooperation with the EU, the dynamics of environmental cooperation shifted from one predominantly focused on lesson-drawing and social learning to one almost entirely centered on interest-based bargaining over specific regulatory outcomes. In the period between 1993 and 1996, all CEECs concluded association agreements with the EU; by 1996, all had formally applied for EU accession. The 1993 Copenhagen summit specified the broad conditions for future membership: a functioning market economy, democratic institutions, and implementation of the EU *acquis*. The adoption of EU leg-

islation, including environmental regulations, was thus an explicit condition for membership.

By the second half of the 1990s, the European Commission established pre-accession technical assistance programs for environmental approximation. While these programs employed mechanisms of capacity-building and socialization, their ultimate objective was to assure high harmonization levels in candidate countries prior to accession. The types of capacity-building projects funded by the Commission provide evidence of the overwhelmingly instrumental nature of EU-funded technical cooperation.

In the mid-1990s, significant resources were devoted, for example, to assessments of the implementation *costs* of the EU environmental *acquis* for candidate countries. Both the EU and the CEECs had a strategic interest in producing a set of cost estimates on which all could agree. For the European Commission, such estimates identified areas of potential difficulties with national implementation, while for candidates, they provided a figure they could use to bargain for transition periods and investment assistance (Botcheva 2001). No economic analysis of the *benefits* of EU law harmonization in postcommunist Europe was done until 2001, when most countries were already completing their negotiations of the environment chapter (Ecotech 2001a). This indicates that even if there was some scope for lesson-drawing in the context of EU law harmonization, candidate countries had no strategic interest to present any part of the harmonization process as policy changes that would have been undertaken anyway for domestic reasons. Some cost studies funded by IFIs concluded that parts of the EU environmental legislation would present an excessive burden to transition economies and specific sectors, so they recommended a more flexible approach to applying EU rules (World Bank 1997, 1998, 2001).³ Such policy lessons were plainly disregarded in the process of negotiations, as the EU maintained a requirement of full incorporation of the *acquis* with minimal transition periods.

Another mechanism of strategic learning supported by the EU was the funding of legislative gap studies. The Environmental Legal Approximation Facility (DISAE) was established with the support of the PHARE program to disburse assistance for such legislative analyses and twinning programs. These analyses and programs were implemented with the help of EU consultants and did indeed increase the understanding of EU laws among the environmental ministries of the candidate countries. However, they also provided the Commission with a very specific tool for monitoring harmonization progress. In addition to legislative gap analyses, annual questionnaires on the status of EU law harmonization and implementation provided a basis on which the Commission formulated its yearly position on the candidates' accession progress.

Other examples of EU capacity-building programs include the appointment of long-term legal advisors to CEE environmental ministries, the publication of the

3. On flexibility in compliance with the EU environmental *acquis*, see Holzinger and Knoepfel (2000).

Working Document on the Preparation of the Associated CEECs for the Approximation of the EU Environmental Legislation and the Guide to the Approximation of European Union Environmental Legislation, the establishment of a telephone hotline on approximation issues managed by DG Environment, and the preparation of implementation indicators to assess the level of harmonization in different environmental areas. After 2001, when accession negotiations on the environment chapter of most of the countries were complete, the Commission shifted its assistance toward supporting environmental infrastructure investment through the Instrument for Structural Policies for Pre-Accession (ISPA) and monitoring implementation (Ecotech 2001b).

This brief overview of EU environmental pre-accession assistance demonstrates that mechanisms of social learning as well as of strategic bargaining and monitoring have been used to assure compliance with EU legislation by candidate countries. These mechanisms reinforced each other rather than acting as alternative instruments of EU influence. However, the above examples of pre-accession capacity-building also indicate that the process of social learning within EU accession was clearly subordinated to strategic objectives of bargaining and reaching agreements on the course of EU law approximation, the extent of transition periods, and the monitoring of its implementation.

The prevalence of external incentives in the EU environmental approximation process is also evident in the policy results it produced. Following the legislative screening projects, many of the CEECs' framework environmental laws adopted in the early 1990s, which followed EU principles only in a broad way, were amended to better reflect specific provisions of EU legislation. Similar amendments were also undertaken for issue-specific laws, driven by specific EU requirements. In this policy adjustment of the late 1990s, EU conditionality, multilevel bargaining between international and domestic interests dominated the reform process, overshadowing transnational learning and norm diffusion (Andonova 2003). To illuminate the shift in the dominant mechanisms of EU influence over domestic environmental politics and policies, the next two sections analyze air pollution regulations adopted in the Czech Republic and Poland in the course of the 1990s.⁴

Czech Air Pollution Policy

The reform of Czech air pollution policies was undertaken by the first postcommunist government of Czechoslovakia in 1990.⁵ As in other postcommunist coun-

tries, awareness of the environmental effects of communist-era industrialization was high in the aftermath of the democratic revolution. Czechoslovakia was one of the most industrialized socialist economies, relying heavily on highly polluting lignite coal for energy. The health effects of heavy air pollution, particularly in "hot spot" areas, were well publicized by the dissident movement and by international accounts that became widely available after 1989. Parts of Northern Bohemia in the Czech Republic, Lower Silesia in Poland, and Saxony in East Germany formed the infamous "Black Triangle" region, characterized by some of the heaviest concentration of air pollutants in Europe.

Public concern about the severity of the air pollution problem and its health effects motivated air pollution reforms early in the transition period. The first postcommunist government included prominent activists including the Federal Minister of the Environment Josef Vavrousek and the Minister of the Environment of the Czech Republic Bedřich Moldan. The ruling Civic Forum–Public Against Violence coalition had proclaimed "the return to Europe" as its campaign slogan and leading foreign policy objective. Improved environmental performance was thus in line with the government's objectives of democratization and promotion of the country's image as a responsible citizen of Europe.

Czechoslovakia was party to the Long Range Transboundary Air Pollution (LRTAP) convention and its 1985 First Sulfur Protocol, which required a 30 percent reduction of 1980 sulfur emission levels by all European countries. However, as with the other former communist countries, Czechoslovakia had signed on to the accord to support the Soviet Union's strategic objective of *détente* with the West but had done little to reduce emissions of sulfur and other acidifying pollutants. The high international and domestic visibility of air pollution gave the proactive environmental administration of Czechoslovakia additional leverage to promote rapid reforms.

The strong domestic perception of a policy failure in managing air pollution, an entrepreneurial environmental administration, and the high salience of air pollution internationally created both a window of opportunity for policy reform and a strong motivation to seek policy lessons within the European community of states. The Rainbow Program of 1991, which outlined the national environmental strategy, emphasized health concerns, international reputation, and normative convergence with European environmental standards as leading considerations in setting priorities for reform (Ministry of the Environment of the Czech Republic 1991). Policymakers involved in the drafting and promulgation of air protection legislation in the early 1990s emphasized similar motivations.⁶

The Czechoslovak Act on Clean Air was one of the first pieces of environmental legislation introduced by the government. Federal Minister of the Environment of Czechoslovakia Josef Vavrousek was personally engaged in its drafting and assured political support for the legislation, capitalizing both on public concern

4. The analysis of the Czech and Polish cases is based on detailed case material presented in Andonova (2003).

5. Czechoslovakia split in 1992, and in 1993 the Czech Republic and Slovakia were established as independent countries. I refer to the federal government of Czechoslovakia when describing policy up to 1992. When describing the implementation of air pollution legislation, which proceeded largely after 1992, I refer to the experience of the Czech Republic.

6. Author interviews with Bedřich Moldan and with representatives of Green Circle, November 1997.

Table 7.2 The 1988 Large Combustion Plant Directive: Emission limits for new sources

	Thermal capacity (MW)	SO ₂ (Mg/Nm ³)	Desulfurization rate (%)	NO _x (Mg/Nm ³)	Dust (Mg/Nm ³)
1. Solid fuels	50–100	2,000		650	100
	100–500	2,000–400	40 (100–167 MW) 40–90 (167–500 MW) 90	650	100
2. Liquid fuels	>500	400		650	50
	50–300	1,700		450	50
	300–500	1,700–400		450	50
	>500	linear decrease 400		450	50
3. Gaseous fuels				350	5
3.1. Gaseous fuels in general		35			
3.2. Liquefied gas		5			
3.3. Low calorific		800			

Source: European Council 1988, Directive 88/609/EEC, Annex III–VIII.

and the proclaimed desire of the government to move quickly to the policy styles and practices of Western Europe. According to close associates of the minister and participants in the policy drafting process, the Clean Air Act of 1991 was based on the German law on air pollution, considered one of the strictest in Europe.⁷

Germany had already successfully tackled an acid rain problem of similar magnitude to that in Czechoslovakia, and its legislation had strongly influenced EU regulations on emissions from large combustion sources. Moreover, the command and control, technology-based standards of German legislation were perceived as appropriated for the Czechoslovak context and corresponded to the priorities of the environmental administration, which sought rapid and visible reductions in polluting emissions from large power-generating utilities. As a consequence of these considerations, the air emission standards adopted by the Czechoslovak Clean Air Act of 1991 were almost identical to the ones set by the 1988 Large Combustion Plant Directive of the EU. If anything, Czechoslovak legislation was somewhat stricter in regulating emissions of smaller combustion units (see tables 7.2 and 7.3).

The Czech Republic adopted the 1991 Czechoslovak Clean Air Act after the split with Slovakia in 1992. The implementation of its provisions proceeded surprisingly quickly given the high technology and emission reduction standards it mandated at great cost to the electricity generation sector. In dealing with this powerful economic sector, the Ministry of the Environment capitalized on the early

7. Author interviews with Bedřich Moldan, at the Green Circle, and at the Air Protection Department of the Czech Ministry of the Environment, November 1997.

Table 7.3 Air emission standards for large combustion sources in the Czech Republic

	Thermal capacity MW	Solid pollutants mg/m ³	SO ₂ Mg/m ³	NO _x Mg/m ³
Solid fuel	5–50	150	2,500	650
	50–300	100	1,700	650
	>300		500	650
Smelting boilers Liquid fuels	5–50			1,100
	50–300	100	1,700	450
Gaseous fuels	>300	50	500	450
	5–50	10	35	200
	50–300	10	35	200
	>300	10	35	200

Source: Act on Clean Air of the Czech and Slovak Federal Republic (309/1991), Appendix 3.

political support in the Czech Republic for air protection regulation in line with West European standards. The government also ensured the cooperation of the electricity sector by granting policy concessions that made the implementation of pollution reductions more feasible. Such concessions included maintaining the monopolistic and vertically integrated structure of the electricity sector, increasing the share of nuclear-based electricity production through the completion of the Temelín nuclear power plant, and supporting investments in desulfurization equipment through international assistance and the resources of the national environmental fund. The strong governmental commitment to reintegration in Europe and the adoption of European norms also motivated industry to take a long-term perspective on regulatory reform and to cooperate with the government early in striking a deal on its own terms that would make implementation feasible (Andonova 2003).

Czechoslovakia and, later, the Czech Republic thus adopted legislation compatible with that of the EU early in the transition period, prior to any specific EU commitment to enlargement. The adoption of strict air pollution legislation also preceded the negotiation of the Europe-wide Second Sulfur Protocol (1994) under the LRTAP convention. As a consequence of the ability of a proactive environmental administration to lock in strong air pollution legislation in the early transition period and to negotiate incentives for its power industry to comply, by 1998, the year it started negotiations for EU accession, the Czech Republic achieved dramatic reduction in the emissions of acidifying pollutants. It overcomplied both with its own norms and with EU regulations on emissions from large combustion sources. In the period 1990–98, the Czech Republic reduced its SO₂ emissions by 76 percent, its dust emissions by 86 percent, and its NO_x emissions by 45 percent (Ministry of the Environment of the Czech Republic 1999, 2000, 2001). In the power sector alone, for the period 1993–98, the SO₂ emissions dropped by 79 percent, dust emissions by 89 percent and NO_x emissions by 56 percent (CEZ

2002), while most utilities achieved compliance with technology standards compatible with those of the EU. That regulations compatible with EU legislation were implemented prior to the onset of accession negotiations, and that compliance exceeded EU and LRTAP standards—these indicate the weak impact of external incentives and bargaining in the Europeanization of Czech air pollution standards.

The principal objective of EU membership had a clear impact on the Czechoslovak air pollution legislation of the early 1990s, but this influence materialized chiefly through policy diffusion and learning rather than through strict conditionality. There were domestic scope conditions that facilitated such lesson-drawing: policy dissatisfaction with air pollution, an active environmental administration engaged in a trans-European epistemic network, a search for policy models, a perceived transferability of rules of EU members and Germany in particular, and an ability of the government to both preempt opposition and compensate industrial interests that incurred a high cost of regulations. While lesson-drawing was probably the leading mechanism of incorporating EU air pollution rules in Czechoslovak legislation in 1991, the role of the EU was not entirely passive. Transboundary air pollution was an important concern of EU member states, which actively promoted air pollution mitigation policies and technology through technical assistance and political pressure, facilitating the process of social learning and policy diffusion.

Air Pollution Reforms in Poland

In the early 1990s, Poland, similar to the Czech Republic, inherited severe air pollution problems associated with communist industrialization and strong reliance on coal. Public support for the environment and for addressing air pollution was high. Poland had one of the best-organized dissident environmental movements, which took part in the Round Table negotiations that ended the communist regime and influenced the agenda of the first postcommunist Solidarity government. Thus, as in the Czech Republic, conditions for lesson-drawing and social learning existed in the early 1990s in Poland, including a perception of policy failures in managing the environment, an active search for new policy options by bureaucrats and epistemic communities, and a linkage of environmental reforms to democratic principles embodied by western democracies. However, these conditions did not suffice to induce the early adoption of EU air emission standards, as in the Czech Republic. Two domestic factors worked against the adoption of air emission regulations compatible with those of the EU. First, high adoption costs and inability of the government to circumvent the opposition of the politically influential power sector limited the transferability of rules. Secondly, concerns about cost effectiveness made models of regulation based on economic instruments more appropriate than the technology-based approach prevalent in EU environmental law.

The first postcommunist government initiated environmental reforms shortly after it came to power in 1990. It adopted the National Environmental Program in

1990 that outlined a broad strategy for reforms and institutional changes to strengthen the environmental protection system. Although the Polish environmental administration was actively engaged in policy learning and transnational policy diffusion, it chose to apply western regulatory models that were deemed to fit better domestic political and institutional conditions rather than seek early adherence to EU regulations. Poland adopted a regulatory style that was more flexible and emphasized the use of economic instruments, stronger institutional capacity, decentralization of regulatory authority, creation of a system of environmental funds, and increased enforcement capacity. The emphasis on decentralization and economic efficiency in the Polish environmental reforms was facilitated by the presence of western-trained environmental economists in the environmental administration in Poland (Andersson 1999). These policy circles were backed by IFIs, which also emphasized economic incentives as “win-win” solutions for many environmental problems. The World Bank in particular supported the early institutionalization of the Polish environmental reform with an environmental management loan of \$18 million in 1990 (World Bank 1991).

The flexible regulatory approach emphasizing institutional capacity and cost-minimizing economic instruments also corresponded to the objective of the Polish environmental administration to design “implementable” regulations in consensual decision-making with industry. The electricity and coal production sectors were influential veto actors in Polish environmental reform, whose opposition to costly standards could not be ignored. In Czechoslovakia, the environmental administration was able to circumvent the veto of the power sector by capitalizing on high public concern and co-opting it with an energy policy deal. In Poland, the strong environmental concern of the early 1990s was not sufficient to overcome the opposition of the electricity sector to costly air emission standards.

The energy sector in Poland was highly unionized, with strong trade union ties to both left- and right-wing parties. Moreover, unlike in the Czech Republic, where the government and industry agreed on an energy policy that would decrease reliance on coal in the medium term and increase the share of nuclear power, such a deal was not an option in Poland. Because of the abundance of coal resources and their social importance, the fuel base of electricity generation in Poland was unlikely to change in the near future. Nuclear development was not publicly accepted. Immediately after the democratic changes, environmental groups succeeded in halting the only nuclear power project in the country started by the communist regime.

The anticipation of continued high reliance on coal made Poland unwilling to adopt wholesale the command and control standards of the EU, nor to ratify the Second Sulfur Protocol adopted in 1994. Instead, the country followed a more gradual and flexible approach to curbing air emissions from the power sector and other sources, emphasizing as in its broader environmental policy economic incentives and the capacity to support environmental investments.

In 1990, the Ministry of the Environment adopted an Ordinance on the Protection of Air (based on the provisions of the 1980 Act on Environmental Protec-

tion), which set specific air emission standards for combustion sources. These standards tended to be stricter for smaller combustion sources than the ones of the EU but were more lenient than European emission limits for dust and SO₂ from the largest combustion sources with capacity of over 500 megawatts. This was an important concession to the power sector, as most of the electricity in Poland was produced by facilities with capacity greater than 500 megawatts. The 1990 ordinance also differed from European Community legislation in that it did not impose technology-based requirements for specific rates of desulfurization in combustion units, thus allowing greater flexibility in the mechanisms power plants could choose to comply with air protection regulations. The government and the World Bank sponsored a number of pilot projects that considered the implementation of a U.S.-style tradable permit scheme for acidifying emissions—a regulatory model not applied in EU regulations, but one that could substantially reduce the overall cost of emission reductions and the burden on some of the most polluting enterprises.

The Polish government also adopted a range of economic incentives to motivate the reduction of air emissions in the power sector. In the period 1990–92, the price of coal increased by more than 200 percent in dollar terms, electricity prices for industry tripled, and residential heating and electricity tariffs increased substantially. The fees for SO₂ emissions also increased, reaching €85 per ton in 2000, one of the highest rates in Europe. The penalty for noncompliance with SO₂ regulations was ten times higher, or about €850 per ton. The real increase in the fees and penalties for air emissions motivated a more proactive approach to emission abatement on the part of industry, and it had an important revenue-generating function that combined with other resources to create a strong system of environmental funds. The funds and other financing options enabled the government to subsidize investment in air pollution abatement equipment in the power sector and to maintain a dialogue with the sector for continued emission reductions.

As a consequence of both regulatory incentives and government support, the Polish electricity sector achieved consistent emission reductions throughout the 1990s, although not as dramatic as in the case of the Czech Republic. In 1996, the government concluded an agreement with the power sector for further reduction in SO₂ emissions from power plants as a prerequisite for the country to meet its international obligations, including those associated with EU accession and compliance with LRTAP protocols. In the period 1990–98, Poland had reduced its total SO₂ emissions by 41 percent, its NO_x emissions by 23 percent, and its dust emissions by 55 percent (GUS 1997, 1998, 1999). For the same period, the power industry reduced SO₂ emissions by 34 percent, NO_x emission by 42 percent, and dust emissions by 85 percent.⁸

In the process of EU accession preparations, which intensified in the second half of the 1990s, Poland was required to continue its reform of the air protection

system to approximate more closely the EU regulations, including the technology-based standards of the 1988 Large Combustion Plant Directive (Karaczun 1996; World Bank 1997, 1998). The European Commission also pushed informally for compliance with the Second Sulfur Protocol, as Poland was an important contributor to transboundary acidification. Faced with the task of adopting the EU air pollution *acquis* as an accession condition, Poland used technical support from the EU and the World Bank for cost assessments of alternative strategies for compliance with EU air pollution norms. These were intended as a tool for learning and consensus-building among domestic actors, the government, and the EU. Some of the studies took the notion of cost minimization seriously and concluded that allowing Poland some flexibility in the application of EU standards, such as the use of emissions trading or a temporary exemption of some of the strictest technology standards for power utilities, would reduce the cost of compliance (Energysys 1998; Krakow Academy of Economics 1996). Based on such assessments, Poland argued for a more flexible approach to compliance with EU standards that would allow it to delay the application of strict source-based standards to some of its installations built before the 1990s. Official estimates of the cost of compliance with EU air emission standards in Poland ranged from \$1.5 billion to \$10 billion, with the higher end of these estimates assuming a stricter interpretation of the EU *acquis* and the Second Sulfur Protocol (Council of Ministers of the Republic of Poland 2000).

Ultimately, however, Poland was hard-pressed by the EU to adopt standards that corresponded closely to the 1988 EU Large Combustion Plant Directive, with little opportunity to apply flexible mechanisms such as emissions trading. In effect, Poland had to “unlearn” some of the early lessons of cost minimization and economic flexibility, which did not fit the policy requirements of the EU. The EU saw close compliance with the 1988 Large Combustion Plant Directive as a necessary step for accession with a view to Poland’s future ability to comply as a member country with an even stricter directive on emissions from large combustion sources that was in preparation in the late 1990s and adopted in 2001.

In 1998, the Polish Ministry of the Environment adopted two new air pollution regulations, which replaced the 1990 Ordinance on Air Protection. The 1998 Ordinance on the Emissions of Pollutants from Technological Processes and Technical Operations followed the requirements of the 1988 EU Large Combustion Plant Directive, but, unlike the EU directive, it did not introduce requirements for the application of Best Available Technology or specific desulfurization rates for large combustion units. In addition, while the EU directive applies to all sources that obtained a construction permit after 1987, the cut-off date in the Polish regulation was 28 March 1990. This was a concession to the power industry, which bargained for an even later cut-off date of 1996. The emission standards for “new sources,” e.g. combustion units built after the cut-off date, were significantly stricter than the standards for existing sources and were expected to pose difficulties for plants built between 1987 and 1996. In 2001, the 1998 ordinance on air

8. Calculated on the basis of emissions data provided by the Polish Power Grid Company in 2002.

emissions was amended to achieve even closer alignment with EU provisions. While the 2001 ordinance still defines new and old combustion sources differently from the EU Large Combustion Plant Directive, it mandates that all sources (old and new) that have obtained a construction permit after 1987 must comply with standards compatible with those of the 1988 Large Combustion Plant Directive starting in January 2003.

The analysis of air pollution reforms in Poland illustrates unambiguously the prevalence of the logic of conditionality as a mechanism of EU environmental influence. During the early 1990s, Poland had greater leeway to pick and choose from a wider menu of policy lessons and instruments promoted by international institutions. But as accession negotiations gained speed, Poland became considerably more constrained by the EU model of regulations, even in instances where other policy instruments were deemed better suited for the national context. As accession negotiations progressed, both the determinacy and credibility of environmental conditions for accession increased, as did the power of the EU to offer and withdraw rewards. The size of domestic costs of the adoption of EU air emission standards also appeared lower in the late 1990s as a result of earlier regulations and government subsidies to achieve a consistent reduction of air pollution emissions in the electricity generation sector. Ultimately, the adoption of EU air pollution rules was dominated by hard strategic negotiations among multiple interests at the international and domestic levels.

There is little dispute that the aspiration of the CEECs to join the EU has exerted a considerable influence on the policy agendas of candidate states. I set out to examine the mechanisms of EU influence in the area of environmental policy. More specifically, I sought to determine the relevance of the external incentives model against two alternative models emphasizing lesson-drawing and social learning as mechanisms of international influence. I argue that the lesson-drawing and social learning logic prevailed in the early 1990s, when CEECs faced fewer constraints in seeking policy tools to mend their ailing environments and multiple international institutions were eager to offer advice and assistance to promote western regulations. However, the logic of external incentives became dominant later in the decade as accession preparations and negotiations with the EU accelerated. The analysis used the suggested temporal variation in the force of normative and rationalist factors to explore empirically their significance in two broad institutional frameworks of European environmental cooperation (the Environment for Europe process and the EU pre-accession cooperation) and in two cases of national policy reform (the adoption of EU air emission regulations in the Czech Republic and Poland).

The empirical material demonstrates that constitutive and interest-based mechanisms of international influence are not truly "alternative," as they often coexist in a given institutional setting. Thus, the staunch theoretical juxtaposition of the two perspectives may actually be misleading rather than illuminate international relations, a point recognized recently by other scholars of institutions as well

(Checkel 1997; Schimmelfennig 2001). In the Environment for Europe process described in this chapter, while most outcomes can be explained primarily in terms of normative diffusion, the process was not at all devoid of strategic consideration and bargaining, although the latter produced few measurable results. While conditionality and bargaining were dominant in the EU accession cooperation, programs of transnational norm diffusion, learning, and consensus building have supported the bargaining process and facilitated a greater overall level of adoption of the EU environmental *acquis*. Institutional influence is thus enhanced when norm diffusion and external incentives mechanisms reinforce each other to shape the behavior of states, an interactive effect that deserves further exploration and research (see also Cowles, Caporaso, and Risse 2001; Eising 2002; Héritier et al. 2001; Tallberg 2002).

The simultaneous presence of constitutive and rationalist mechanisms of institutional influence, however, often poses the problem of disentangling empirically their relative significance. Constructivists in particular have been challenged by rationalist approaches for failure to tackle empirically the null hypothesis of their argument, e.g., that despite the presence of mechanisms of constitutive influence their measurable impact is small if any and subordinated to rationalist interests and calculations. This study demonstrates that by specifying the conditions for prevalence and influence of mechanisms of institutional influence we can design studies to test their independent effects.

The cases of EU accession assistance and conditionality for policy reforms presented in this chapter unveiled the dominance of external incentives and constraints by demonstrating that norm diffusion mechanisms were often designed to serve strategic objectives and were trumped by powerful opposing interests. The Environment for Europe process and Czech air pollution reforms, by contrast, illuminated some of the conditions for strong normative influence of international institutions. Notable in these two cases is that transnational normative diffusion through lesson-drawing and social learning produced measurable policy results despite incongruence with strong material interests and in the absence of well-defined strategic and material incentives. What facilitated transnational normative influence in these cases were some of the conditions identified in other instances of international norm diffusion: perceived policy failures that opened windows of opportunity for learning, active transnational entrepreneurship on the part of policymakers and epistemic communities, pressure to incorporate the norms of groups and institutions to which states belong or aspire to join, close correspondence between domestic priorities and the imported policy lesson, and relatively weak or diffuse conditionality or linkage with material interests. The condition of weak or diffuse conditionality that emerged from the cases of strong normative diffusion presented in this chapter has been rarely recognized in the constructivist literature and deserves further empirical exploration using either quantitative methods to disentangle diffusion and conditionality effects in a large number of controlled cases, or temporal analyses to examine the force of each mechanism in different stages of international regime evolution.