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Energy and Environment in Europe

Introduction

For many decades a dominant feature of industrialised nations has been a growing dependency on oil. Western Europe has been no exception. Domestic production capability never reached a level sufficient to match demand either for industry or private consumption. Hence, very early on Western industrial powers established the practice of covering shortfalls by tapping on outside sources. However, dependency on oil is only a symptom of a much deep-seated problem, i.e. shortage of energy resources in the West. This problem of energy shortage was the context which became one of the defining features of early European integration and to which the European integration process was supposed to provide solutions. The European Coal and Steel Community (ECSC) and later Euratom became part and parcel of such energy policies.

Innovative energy strategies had, however, also an impact on later environmental policies of the EU. Common features, such as a generally innovative nature of both policy fields, guide the fundamental idea of this analysis that there has been a logic link between energy and environmental policies in the EU and that both policies have been central elements of the European integration process itself.

In this short introduction, three main academic disciplines have been mentioned, i.e. history, politics and economics. Consequently, this study will use an interdisciplinary approach of the three subjects, the course and analysis based purely on political science would be deficient in not considering the obvious economic aspects of energy and environmental policies. A purely historical approach could not sufficiently explain the political consequences of early European energy communities, such as the ECSC and Euratom. And a purely economic approach could not comprehend satisfactorily the societal repercussions of energy and environmental policies in European integration, for which historical and political science methods are well suited. In addition, an analysis limited to only one of the disciplines would not only be deficient in terms of contents, but it would also leave the analytical potential of the neighbouring disciplines barren. Hence, this study will attempt to harness the strengths of History, Political Science and Economics avoid their weaknesses in the combination of the three, in order to arrive at a better understanding of energy and environment policy in Europe and of European integration itself.

Geographically, this study will focus on the three major Western European countries, i.e. France, Germany and Britain. France and Germany were among the founding members of the European

integration process and the European communities. For France, the importance of national pride, particularly under de Gaulle, was a major hindrance to commit the country even stronger to the European integration process.¹ However, before the General came back into office in 1958, people like Robert Schuman had the foresight and the European commitment to overcome the Franco-German enmity. Later, de Gaulle acknowledged the immense importance of Franco-German friendship, closely connected to the European integration process which because of this well founded understanding came to be seen as a guarantee for peace in Europe.

Adenauer had made the settlement of West Germany into the Western bloc one of his key policies. The early success of the European integration effort supported Adenauer's position of unreserved German participation. Such peaceful cooperation opened up a new way for Germany to regain the position in Europe which it forfeited in the first half of the century. A European Germany offered a positive outlook for the future and economic and political prospects which Germany could not achieve on its own. Therefore, France and Germany are clear choices for analysing early European integration. For later decades to countries have frequently been characterised as the motor of Europe which underlines the idea that France and Germany have always been at the heart of the European integration process.

Britain is a more difficult case. In the beginning, the country distanced itself from the whole integration process. It is this marked difference which makes it a brilliant addition to the obvious choice of France and Germany. Despite its distinguished record of early initiatives for European cooperation in OEEC and the Council of Europe, Britain was opposed to the European integration process, when it gained momentum on the continent from 1950 onwards. Although Britain has often been characterised as the awkward partner, in later decades,² this study will also critically look at Britain's role in European energy and environment policies, to see whether such a reputation is warranted.

Structure

Thematically, the analysis will be structured in two phases. The first phase will focus on European energy initiatives, such as the ECSC and Euratom. The second phase will be dominated by environmental studies.

Chronologically, the dividing line between both phases will be set at the oil boycotts of oil-producing countries (OPEC) against the West in the 1970s, for a number of reasons. Most fundamentally, the oil embargo was the wake-up call to the West that oil dependency was common to all European countries; that it could not be solved by any of them alone and that, therefore, solutions in the bigger framework of the European integration process should be tried. It was also the

¹ See R. Inglehart, *The Silent Revolution*, Princeton University Press, Princeton, 1977, p. 324

² See S. George, *An Awkward Partner – Britain in the European Community*, 3rd ed, OUP, Oxford 1998

time when the urgent need to develop a multi-track energy strategy was brought home to European governments. And it was a time when energy-saving became part of this multi-track strategy in the form of energy efficiency which eventually led to environmental policies being introduced across Europe. Moreover, by the 1970s the dividends of earlier European energy treaties began to pay off. European initiatives no longer had to be captured under international treaties, such as the ECSC and Euratom, but could be left to the inbuilt dynamism of European integration, to European institutions such as the Commission and ultimately to the grown trust between the member states, based on the experience of more than two decades of European cooperation.

Phase One - Energy Studies

The section on energy studies will cover a variety of different European energy initiatives, starting with the ECSC. At the time of the invention of ECSC in the early 1950s, Europe's primary energy resource was coal and only through the ECSC this energy resource became available in abundance which eventually avoided the predicted energy shortfall among the six founding members. This study will prove the point that energy shortage existed in Europe right from the end of World War II and became part and parcel of the European integration process. In addition, another study will be settled, chronologically, in the mid to late 1950s with the analytical focus on the British Commonwealth and its oil resources secured in the Middle East. Decolonisation and rising nationalism in this region compromised the reliable flow of oil under the firm grip of empire. The Iranian oil crisis and the Suez crisis will serve as examples. Attempts to reduce the dependency on oil were made and the massive subsidies for nuclear energy in countries such as France and Britain must be seen against this background. This leads directly to Euratom, which was clearly seen as one of the most innovative energy strategies at the time of its invention in the Treaties of Rome. Oil had been shown to be an unreliable basis for power supply for Western Europe. In search for an alternative, nuclear power seemed to be a blessing, the energy solution of the future with almost inexhaustible potential. A community on the European level, for the potentials of the nuclear age, was presented at Messina in June 1955. The positive impetus for European integration is uncontested. The question about diverging opinion in national institutions may however be asked. It may provide an answer why European institutions were considered to be able to cater for needs these national institutions could not satisfy. This study will also provide explanations why Euratom encountered serious problems soon after its installation in the Treaties of Rome. The tension between innovative energy policy on the European level and national policy prerogatives will be explained using the example of Euratom. It will also analyse the still remaining positive contribution of Euratom to European integration and the potential of the existing machinery for a more integrated European energy structure. An analysis of the oil crises in the 1970s will round off the historical section of this study by analysing the impact of energy policies on European integration, the problem-

solution-potential of European energy strategies in this still national domain, and the contribution individual member states made to such European energy solutions. Finally, this last historical study will introduce environmental issues under the agenda of energy saving and then hand over to the more contemporary studies on environmental policies in Europe.

Phase Two - Environment Studies

The general focus for all environment policy studies will remain on those parts of environmental policies with relevance for energy policies, energy efficiency or innovative energy solutions. An introductory study on European environmental policies will cover one further alternative in energy resource, i.e. renewable energies. It will outline a multi-track strategy consisting of different renewable energy components which could cover the energy needs of Western societies in the future. It will also look into the decentralisation of power production, from few big power plants to multiple small producers. The resulting structural changes to power production facilities, the power grid, and necessary changes to the predominant philosophy behind energy production will be of particular interest. This indicates the idea of an interlocking logic between energy and environment to which European institutions subscribes.

“(…) the EU has made a commitment to integrate environmental concerns into all relevant policy areas, including energy (…). [I]n November 1999 with the adoption of the EU’s first energy integration strategy [and] the European Commission’s November 2000 Green Paper entitled ‘Towards a European Strategy for the security of energy supply’ [it] outlined a number of priorities for future actions, including the promotion of energy efficient technologies. (…) The Industry/Energy Council has pinpointed a number of areas where more effort is required. These include promoting efficient use of energy, developing an effective internal energy market, and increasing the competitiveness and use of renewable energy sources and alternative fuels.” (Policy statement on Environment and Energy of the Commission : 2005)

The 6th Environment Action Programme of the Commission will be especially important for the environment part of this study. It, too, places environment policy in a broad perspective, considering, not least energy policy, the most obvious reason being that both policies have an impact on the beneficial development of the overall well-being of the EU. It is hence not surprising to find a Commission statement saying that “The link is made between environment and European objectives for growth, competitiveness and employment.” (Policy statement of the Commission on the 6th Environment Action Programme, 2005) These policy statements show the connection between energy and environment in European policy-making. And it is clear through the proactive environment policy of the Commission that it fulfils its function as a motor for European integration in this policy field and arguably carries European integration further ahead. In addition, integration between energy and environment is a sign of the emancipation of environment policies in the past

few decades. Moreover, this emancipation shows progress of European integration by allowing other policy issues such as environment to acquire the importance only the energy sector had in the early phase of European integration. Finally, it may be argued that an increased impetus to integration in the energy sector was only possible on the basis of the realisation that an effective environmental policy needed a bigger context than the nation state. Hence, the EU is – as so often in history – not the ideal solution, but a better solution than national ones and certainly a working one.

Theoretical approach

Based on the structure of the overall study, three main theoretical approaches will be used.

Firstly, there will be a historical approach in order to understand the historical environment, ideas, and motivations behind European integration. Classical explanatory theory on European integration will be particularly important for Phase I of the book. It will draw on Jean Monnet's early ideas of the benefits of institution building, i.e. being the main decision-making bodies which can facilitate progress, and institutions being also the embodiment of past experience on which later generations can build; European institutions are naturally the prime example (Monnet : 1976). The early idealism of European integration can obviously be found in Monnet's just as in Altero Spinelli's action plan for the United States of Europe. Walter Lipgens was the one to translate these political programmes into a theory of European integration (Lipgens : 1977). Lipgens theory explains the motivations behind the creation of European institutions, not least the ECSC, on the basis of an idealist discourse for peace and prosperity in Europe. Although it was widely dismissed, the European Federalist Movement often being used as an example of impotence, Lipgens theory will be interesting in terms of early institution building.

Secondly, the emphasis on institution building will also be important for the more contemporary part of this book (Phase II), because - taken from the historical approach, as outlined above - European institutions are, on the one hand, understood in this study as the legacy of past integration experience for future European generations. On the other hand, they shape our current political environment. The neo-institutionalist approach of March and Olsen (1989) reflects this and will therefore be used to explain the role of the European institutions in advocating energy and environmental policies in order to solve the respective energy and environmental problems, but also in order to carry European integration forward and arguably even to increase their own power.

Thirdly, the importance of ideas in and for European integration is incontestable. Ideas are seen as a major motivation for political action, on both the national and the European level. Such centrality of ideas in politics has been advocated in a number of recent books. In Hoerber (2006) this has been proven for French, German and British politics on Europe during the early period of European integration of the 1950s. Craig Parsons has found similar evidence for France's European integration politics from the 1950s to the present (Parsons : 2006). And Nicolas Jabko (2006) has

found the politics of ideas, i.e. the utilisation of ideas for political ends, to be central to the drive behind European integration in the 1980s and 90s which led to the Maastricht treaty. Based on this literature, the current study will pay particular attention to ideas in energy and environment policy. Finally, European institutions are no longer seen as alternatives to national competencies but rather additions to national actors and eventually coordination mechanisms between all participants. The emphases on the European or the national elements have changed throughout the European integration process which could be seen as leading to the “peaceful coexistence” of both levels, often captured in the phrase of multi-level governance. Therefore, Adrienne Héritier’s theory of an evolutionary convergence of institutions will be used as a moderating approach leaving the rigid concept of national versus European institutions behind. It will be argued that particularly the later part of the European integration process has increasingly been characterised by such multi-level policy making, which led to an intertwined decision-making process and even to collaborative execution of European policies (Héritier : 1994). This is a sensible approach for the second part of this study, because energy and environment policies are characterised by the influence of different levels of government, from local to national and European institutions. It should also bring out the particular role of European institution for both policies, importantly, in relation to other levels of government.

Sources

The main question for the selection of sources is to what extent they are relevant for the research focus, i.e. for the contents, for the time period and eventually for answering the research questions. From good experience in previous studies, there is a certain bias in favour of parliamentary sources for the following reasons.

Firstly, ideas of European integration usually entail far-reaching and fundamental changes to the way national politics are conducted. Parliament is the ideal forum to develop such ideas into more concrete concepts, national expectations and positions on Europe, because there is sufficient time and a wide range of political opinion in which such European ideals compete. In that sense, the parliamentary process reflects the soul-searching process of the nation to arrive at national positions on Europe, institutionalised in the parliamentary deliberations and the decision-making process. Parliamentary speeches inform the government parties as well as those of the opposition as to the intentions of the government. More than that, the mutual relationship between government and parliamentary parties –government parties and opposition alike – is an essential element of the parliamentary process. The facilitation of this process is one purpose of having three “readings” of every bill, e.g. the ratification process of all the European treaties. Therefore, parliamentary debates reflect the greatest variety of political positions on European integration as well as the deliberation process leading to a national position.

Secondly, as regards the legitimisation of European integration, it is essential to look at the institution where this usually happens in representative democratic systems.³ With respect to the people, parliaments play a twofold role. On the one hand, parliament constitutes the legitimate arena of representation of the people. On the other hand, they fulfil a leadership role towards the people exercised in the deliberation and decision-making process. It is the place where ultimately binding national positions are finally sanctioned. This becomes particularly clear in parliamentary debates and decisions on international treaties such as the European ones. Therefore, the parliamentary process can be seen as essential for the development of general national positions on Europe, and parliamentary debates give a unique insight into the process of their development.

Thirdly, we have established that in the 1950s the three national parliaments were where the ultimate binding decisions on European integration were sanctioned. On the one hand, this is the main difference from journalistic sources, which are detached from the decision-making process, at least institutionally. Where they had an impact on the decision-making process journalistic sources are usually reflected in parliamentary debates. The most important excerpts of newspaper articles are not rarely quoted and directly built into a parliamentary argument. Therefore, the indirect influence exercised by the press also finds its reflection in parliamentary discourse. On the other hand, my main criticism of conventional political history is that it has been confined to an unduly limited set of sources, i.e., mainly government files and foreign office documents.⁴ As a result, governmental positions have been looked into very thoroughly. However, such files do not reach far beyond an inner circle of ministers, civil servants, and advisers.⁵ For a detailed analysis of government policy this is a valuable approach, but that is also its limitation. Parliamentary speeches go beyond these limits. They include the positions of the opposition. They are not bound up in ministerial mindsets and, therefore, they may give a broader perspective not confined to the limits of government memos and keynote papers. Even ideas originating in closed government circles will eventually emerge in parliamentary debates, not least because they have to be endorsed by the parliaments. Therefore, parliamentary speeches form a middle ground between a somewhat detached angle of journalistic sources and a sometimes too narrow perspective of government papers. Fourthly, parliamentary debates shift the analytical emphasis a bit more towards backbench MPs who might not have received the attention of prominent politicians such as government ministers, party leaders or glamorous political figures. Nevertheless, backbench MPs such as Hans Joachim

³ Although there has to be a qualification to this argument insofar as for example the British accession to the ECs or later the Maastricht treaty in France were legitimised through referenda, in the 1950s the national parliaments were at the heart of the political process. All the original treaties on the European communities, i.e. ECSC, EDC, EEC and Euratom, went through the French and the German parliaments and all decisions on British participation in European integration went through the House of Commons. Therefore, parliamentary debates give a comprehensive picture of the legislative process on European integration in the 1950s.

⁴ See Oliver J. Daddow, *Britain and Europe since 1945: Historiographical perspectives on integration*, MUP, Manchester, 2004, p. 36

⁵ See Oliver J. Daddow, *Britain and Europe since 1945*, p. 155

von Merkatz and Carlo Schmid in Germany, Richard Crossman and Robert Boothby in Britain and Jean Le Bail and Alfred Coste-Floret for France were key figures for the development of progressive ideas on Europe. The ideas of these backbench MPs will find a reflection in the parliamentary debates discussed in this thesis.

Fifthly, in the 1950s European integration is still very much a venture with an uncertain future. Although the debate about European integration has been described as being restricted to the 'political elite', it was not just the national governments involved in this process. The parliamentary debates show clearly that a wider discourse took place, which included MPs of all calibres and which was formed at all levels of parliamentary activity. In the 1950s, there was no permissive consensus which sanctioned European integration and let it happen.⁶ The ways and means and not least the ultimate ends of European integration remained highly controversial.⁷ This is another reason to see parliamentary debates as a valuable source for understanding the national positions towards European integration, because they also reflect arguments in the discourse which did not prevail in the end, i.e. mostly those of the opposition.

Finally, there is clearly an argument of manageability. Contributions to parliamentary debates are easily comparable between the three countries. They are also easily accessible, in parliamentary archives and therefore they can be dealt with in a reasonable amount of time, despite the vast amount of data.

These arguments in favour of using national parliamentary debates as the main source can be applied without reservation for the case study on coal in phase I of this study. They also apply to the case study on the atom, i.e. Euratom, with one caveat. Up and until the inception of the Treaties of Rome, i.e. EEC and Euratom, national institutions are the only ones which could be consulted for nuclear affairs. This had changed somewhat by the time of the early 1970s, where the chronological focus of the case study on oil was put for this study. Although there was no European Parliament elected under universal suffrage, yet, the Commission had established itself as an influential actor in energy questions. Therefore, it will be interesting to see whether Commission files yield any interesting policy proposals in the nuclear field, for the 1970s. This is even more likely in the field of the third case study on oil. Therefore, Commission files will be a major source alongside national parliamentary debates. Government positions will be reflected in speeches in national parliaments and in negotiations with the Commission. In sum, for the first phase of this study, na-

⁶ For reference to European elitism and the permissive consensus argument, see R. Inglehart, *The Silent Revolution*, Ch. 12, esp. p. 324, see also, L.N. Lindberg, S.A. Scheingold, *Europe's Would-Be Polity – Patterns of Change in the European Community*, Prentice-Hall, London, 1970, p. 41, for a reference to the 'permissive consensus' in the 1960s see Ch. 8

⁷ The Communist opposition to the European project is one example of uncompromising opposition against European integration, although Communist parliamentary influence declines steeply through the decade, Socialist opposition to a capitalist Europe of the ECSC type is another example. The opposition of continental conservative parties, mainly the French MRP, to intergovernmental features adds another example which contradicts the idea of a permissive consensus.

tional parliamentary sources will account for the majority of primary sources, however, supported to no minor extent, by archival sources from Commission records.

The second phase of this study is based on the 2005 commission white paper on energy and environment in Europe. Hence, Commission files will remain to be a major source of information for the whole second part of the study, i.e. case study 1: energy efficiency; case study 2: establishment of the internal energy market; case study 3 renewables and alternative fuels; case study 4: fusion research.

As for parliamentary debates, one of the major preconditions for yielding the largest possible benefit from them, was an analysis of such debates over an extended period of time. For the case studies on energy efficiency and for the establishment of the internal energy market – both in place since the 1970s and 1980s respectively– national and European parliamentary debates will be a relevant source. For the more contemporary case studies of renewable energy and alternative fuels and for nuclear fusion research, parliamentary debates will not be as relevant, because they can not show their distilling effects over time. Balance of arguments has to be achieved for these two most recent case studies by broadening the sources. Hence, interest groups will be interviewed and their opinion on the energy and environment policy of the Commission will be distilled in targeted interviews with representatives from major energy producers, environmentalists and scientists. This mix of sources should be a good basis for arriving at conclusions regarding the impact of energy and environment policy for the European integration process as a whole.

Research Questions

European energy policies were not isolated from the general political context and, therefore, the main research question of this study will be to what extent energy policies and later environmental policies drove the European integration process? How did their importance in the integration process changed over time? This leads straight to the question why energy policies were so prominent in the early stages of the European integration process and why they are no longer as outstanding as they used to be on the European level, despite similar problems of energy shortage, nowadays? Are they just differently framed, for example, under environmental policies? Or have other policies such as environmental ones simply caught up, integrating energy policies into the environmental EU policy spectrum? The analytical bridge between both fields – energy and environment – will be the question how they are interlinked and whether the political link between energy and environment has become a positive impetus for integration? It will also be interesting to see whether there are similar behavioural patterns between political actors in both policy fields; and, indeed, whether energy and environmental policies have had a formative impact on these political actors, i.e. national or European institutions.

Hypothesis/Expected conclusions

The main thesis of the study is that European environmental policy built on the expertise of earlier energy policies, e.g. the ECSC and Euratom. Despite the fact that environmental issues were a later addition to the European policy canon, nothing much has changed about the centrality of energy policy; environmental policies have, in fact, become part of policy solutions in the energy field and both policies have found a common denominator in energy efficiency. In addition, since their invention, environmental policies have become almost synonymous with innovation. And similar to energy policies in the earlier period of European integration, European institutions find the advocacy of such innovative policies an effective way of fostering European integration as a whole. This study will try to track knowledge transfer from energy to environment policies and vice versa, later in the integration process. The transfer of behavioural patterns and personnel in administratively and politically responsible positions can reasonably be expected. Hence, energy and environmental policies have been and remain to be a formative part of the European integration process. Energy efficiency, energy saving and environmental policies became the concrete embodiments of proactive and innovative policy solutions in which the European institutions pulled the member states towards common policy solutions which in turn favoured integration. The fact that strong national prerogatives, first in the energy field and to a minor extent also in environmental policies, have been brought out in this study does not diminish the increasing role European institutions play in both policy fields. Indeed, the tendency of increased cooperation on the European level in both areas rather underlines the argument of this study of strengthening of European integration through energy and environment policy, because it means that areas which were once reserved exclusively in the remit of the nation states have gradually been opened up to European action. Hence, this energy and environment policy analysis will highlight two somewhat contradictory characteristics of European integration. Firstly the analysis of energy policies will show that since its invention European integration has been used by the nation states for finding solutions which breached their capabilities, i.e. supranational problems. Secondly, the study will provide evidence that the New has always been the hallmark of European integration. National prerogatives – highlighted in the energy section and initially marginal chances of success– as brought out in renewable energy for example - play into the remarkable success story of European integration in which dark horses succeeded, with the passage of time. Technologies such as wind and solar power became innovative solutions to concrete problems and through their growing success empowered European institutions which had been driving them from the beginning. This is played out on all levels, e.g. technologies and forms of political organisation and, therefore, innovation or “The New” must be seen as the sometimes lucky, but nevertheless successful embodiment of the European.