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The scope for East–West co-operation

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6.1 Introduction

This chapter examines the international character of environmental policy by focusing attention on the role of the European Union (EU) in shaping environmental policy in countries that lie outside its own borders. The EU is playing an increasingly important role in environmental quality management in the newly emerging democracies of East and Central Europe, which have been left with a legacy of large-scale environmental devastation following the prolonged period of communist rule. While at first glance the EU's role may appear to be of a benign, even altruistic nature, closer analysis reveals the presence of a complex array of motivations guiding its involvement. These in turn are deeply rooted in the EU's desire to preserve its own interests.

This chapter addresses a series of important questions surrounding EU involvement in shaping the environmental policies of former Soviet bloc countries. What are the environmental problems facing East and Central European countries and why did they arise? Why is the EU interested in ensuring more effective environmental management in these countries? What are the consequences of this involvement, for the EU, the beneficiary countries and the environment itself? What opportunities does this involvement give rise to, for both the EU and the beneficiary states? What are the problems facing the EU in this task? What are the constraints acting on the EU? Do the countries' own political and economic structures inhibit or enhance effective environmental policy management? The chapter will attempt to link the answers to these questions back to a wider question, namely the nature of the relationship between the EU's involvement in environmental policy and the process of economic and political reform currently under way in these countries.

Historically, one of the motivations for the development of European integration and the setting up of the European Economic Community (EEC), later to become

enlarged and eventually known as the European Union (EU), was the perceived threat to European peace and security posed by the Soviet Union after the Second World War. This led to the belief among key elites that the only way to counteract this threat was to develop a strong Europe, united politically as well as economically. The construction of a strong and unified Europe was financially and politically supported by the United States, via the Marshall Aid Plan. This acted as one of the primary stimuli for economic integration and the foundation of the EEC. The original founders of the EEC were also Christian Democrats who were strenuously opposed to communism. During the regime of Stalin in the early 1950s the Soviet threat was viewed with renewed concern and the Cold War became a haunting political reality. However, the original rationale for the unification of Western Europe became less important in the 1960s, particularly with the emergence of *détente* between the two blocs.

The system of international relations built around the Cold War encouraged the development of a new phase in capitalism, based on the growth of a large-scale military-industrial complex. During the Cold War, this enabled the superpowers to conduct an ideological and sometimes military struggle for supremacy. The arms race and the unchecked development of military-industrial capitalism had very serious environmental consequences for both sides of the Cold War and environmentalists in both the West and the East began to criticise this model of economic development. However, the two sides responded differently. While continuing to experience severe environmental stress, the West slowly began to incorporate some of the critiques of environmentalists, while the East regarded this criticism with hostility. As a consequence of this and other factors (discussed in more detail below) environmental damage in the East became much more severe.

From 1988 onwards the Soviet system began to collapse from within. The political superstructure of the Soviet bloc proved to be less robust than had been believed in the West and the regimes were shown to have commanded little popular support. Equally seriously, the economic costs of maintaining the Cold War were to prove unsustainable. The collapse of the Soviet system was initially expressed through the struggle for democratic rights by Soviet bloc citizens, beginning in countries like Poland but rapidly spreading throughout the region. Another main strand of criticism was based around the problem of environmental degradation and in particular the associated threat to health and the worsening of daily living conditions that this brought.

When the Soviet system eventually collapsed, the scale of environmental damage was revealed and the nuclear power accident at Chernobyl came to be seen as a symbol of the environmental irresponsibility of the old regime. Since the revolutions that swept the countries of the former Eastern bloc, the countries of East and Central Europe have been experiencing a series of highly complex adjustments. As with all other policy areas, environmental policy is situated within the context of radical reform of the previously existing economic, political, cultural, social and legislative structures. The transition to a market economy and pluralist democracy dominates all aspects of current social, political and economic processes in these countries. However, since environmental problems do not respect political borders, the West has been obliged, in its own interest, to respond to the environmental degradation of the former Soviet bloc by measures of support. But its involvement does not stop there. As we will see below, faced with the power vacuum arising from the collapse of the old Soviet system and the

prospect of deepening political crisis on its own doorstep, the EU has become involved in managing the wider process of transition in the newly emerging democracies of East and Central Europe.

It is interesting to note that the same forces of economic transformation that are operating on a global scale, referred to as ‘the process of globalisation’, have affected the West as well as the East, but with radically different consequences. Western Europe is witnessing an increasing economic and political convergence, as seen for example in the deepening and widening of the EU. At the same time, in the Eastern bloc the same forces have contributed to economic collapse and political fragmentation.

For the sake of simplicity, in this chapter the term ‘Central Europe’ is used to refer to Hungary, Poland and the Czech and Slovak Federal Republics. ‘East Europe’ is used to refer to Albania, Bulgaria, Romania and the states of the former Yugoslavia. Both together are called ‘Eastern Europe’.

The chapter is divided into three main parts. Section 6.2 looks at the environmental legacy of communist rule. It begins by painting a brief portrait of the environmental problems facing East and Central European countries. It then looks at the response of internal, domestic actors, including environmental groups, to the growing environmental crisis. Having set the stage, as it were, the remainder of the chapter explores the EU’s involvement in shaping the current policy responses to this environmental crisis. Beginning with Section 6.3, the EU’s interests are examined, an outline of the nature of the reforms needed is then provided and finally we look at why the EU has a specific interest in shaping environmental policy. Section 6.4 looks at the actual policy content and the variety of problems associated with their implementation. In the light of the importance of the Phare Programme, specific attention is given to examining the underlying aims, the procedures and the difficulties of this programme. The environmental dimensions of the Phare Programme are explored and the shift from *ad hoc* crisis management to strategic EU involvement in environmental policy in East and Central Europe is examined. Implementation is a crucial stage in the policy process and the EU is encountering difficulties in the effective implementation of its policies in East and Central European countries. These difficulties reflect wider problems which are in turn explored, both at the EU level and within the beneficiary countries. The conclusion of the chapter (Section 6.5) returns to the original questions specified in the introduction and provides some tentative answers.

6.2 The environmental legacy of communist rule

Environmental damage

There is a good deal of uncertainty surrounding the extent of environmental damage in the former Soviet bloc countries. However, as the liberalisation of these countries progresses and research findings are published and made available to a wide audience, it is becoming increasingly evident that these countries experienced a great deal of environmental stress during the period of communist rule. Problems in relation to poor air and water quality, inadequate treatment and disposal of hazardous, including radioactive, waste, contamination of land, particularly agricultural land and deforestation are among the most severe negative environmental legacies of communism.

However, while environmental damage can be seen in all parts of East and Central Europe, commentators are agreed that there are quite massive variations in the levels of air, water and soil/vegetation pollution across the former Eastern bloc (Carter and Turnock, 1993, p.4). High pollution rates are particularly noticeable in the so-called 'black triangle' covering the Czech and Slovak Republics, Poland and the former East Germany. Other areas of especially high pollution concentration include the Black Sea and Danube River basin. The emission of atmospheric pollutants correlates closely with thermal power stations and units or concentrations of heavy industry. Further to this, research has found that large cities are significant contributors through motor traffic and environmentally damaging domestic heating systems (Carter and Turnock, 1993, p.5). For example, in the former East Germany and in Czechoslovakia, the use of lignite as a major source of energy has led to the deterioration in air quality through increased sulphur dioxide emissions. Soil deterioration has also been found, especially in agricultural areas, following widespread use of chemical fertilisers and pesticides. Transboundary pollution has also emerged as a problem in East and Central Europe. Poland, for example, has unwillingly 'imported' pollution from the eastern parts of the



Plate 6.1 A power plant not fitted with filters for abating air pollution, Chorzow, Upper Silesia, Poland, 1991. Photo: Peter Hiltz/Hollandse Hoogte

former East Germany and Bulgaria's own pollution problems have been added to by emissions from Romanian factories.

Numerous explanations have been put forward to account for the poor state of the environment in East and Central Europe (an issue that is also discussed by Tellegen in, 1995). On a general level, their underlying Marxist ideology emphasised economic growth, industrialisation and technical progress. In this world view, Nature and the natural world were seen as obstacles to technical progress, to be overcome through scientific and technical advancements. While differing in emphasis, this ideology holds much in common with Enlightenment thinking in the West, a dominant ideology which was important in shaping the development of Western capitalism (Baker, 1993a).

Specifically, in East and Central European countries under communist rule, there was a dogmatic assumption that environmental damage could never be caused by the state, as it had no profit interests (Baumgartl, 1993, p.158). Environmental degradation was seen as a product of capitalist, profit-orientated modes of production. This assumption blinded the authorities to the reality of their own environmental degradation and prevented an effective and early response to environmental deterioration.

However, when environmental damage became so serious that the state was forced to intervene, efficient policy responses were prevented by the nature of the communist, planned economy. The centralised economic planning system encouraged continuous waste of natural resources and highly inefficient use of energy in the production process. Furthermore, a single authority was often both the source of pollution and responsible for its prevention. Thus the system often lacked an independent authority to oversee environmental management. To add to this, even if polluters were detected, the solution was often not to address the source of environmental damage but to impose a fine, which was frequently disproportionately low. Setting unrealistically low fines was by and large due to the wish of authorities not to impose conditions that would restrict production. Further, in the late 1960s and 1970s attempts to redress environmental destruction, especially at the factory level, were often hindered by the fact that management preferred meeting its production quota rather than adhering to pollution control standards. As a consequence, projects aimed at pollution control were (and still are) often delayed or postponed. For example, according to a 1987 report of the official newspaper of the Bulgarian Communist Party, in 98% of the cases that were brought to the courts polluters were not fined – as managers had circumvented environmental laws in order to fulfil their plan targets and this was considered a more important goal (Spetter, quoted in Baumgartl, 1993). Agricultural production, to take another area, aimed at achieving sufficiency for the Soviet bloc as a whole, was also given priority over sustainable land use and environmentally sound cultivation practices. Furthermore, in many of the countries urbanisation was rapid and, while ideologically acceptable, was poorly planned, with inadequate zoning, poor design of housing and neighbourhoods and more often than not resulting in degradation in the local environment (The environmental legacy experienced in Eastern Europe is summarised in Box 1.)

While it is true that the communist regime in Eastern Europe has given rise to severe negative environmental consequences, it would be unwise to assume from this that either communism is inherently bad for the environment or that non-communist countries, particularly those in Western Europe, have escaped environmental problems.

The environmental legacy in Eastern Europe

- **Communist ideological constraints**
 - Marxist industrial ideology
 - Collapse of civil society and closure of policy process
 - Overambitious planning goals
 - Promoting of prestigious industries irrespective of costs
- **Hypercentralisation of decision making**
 - Bureaucracy
 - Corruption
 - Lack of local level input in environmental policy decisions
 - Delay in response to pollution problems
 - Lack of flexibility
- **Rapid industrialisation**
 - Extensive growth
 - High, inefficient and wasteful natural resource utilisation
 - Mega industrial projects
- **Inherited Soviet technology**
 - Applied regardless of local/regional ecosystem capacity
 - Resource wasteful and high energy use
 - Little if any technology available to reduce pollution at source
- **Free or underpriced consumption of environmental resources**
 - Regarded as 'people's property'
 - Unrealistic energy prices and inefficient use
 - Use of air, water and soil not costed
 - Domestic reliance on low quality, high pollutant lignite
- **Limited application of economic incentives**
 - Soft financial constraints on waste and pollution
 - Low raw material prices
 - Low/free waste disposal charges
 - Low levels of pollution fines
- **Low priority for environment**
 - Managerial concern with meeting production quotas
 - Managerial neglect of environmental issues
 - Centrality of economic issues over environmental protection
 - Concentration on *ad hoc* responses to environmental crisis
 - End-of-pipe solutions over integrated environmental management
- **Underinvestment in environmental protection**
 - Lack of administrative capacity
 - Lack of scientific capacity
 - Financial limitations
 - Systematic postponement of and delays in environmental projects
- **Information scarcity**
 - Lack of information on pollution
 - Quality of data unreliable
 - Quantity of data limited
 - Lack of public access
- **Rapid urbanisation**
 - Poor housing quality and neighbourhood design

Source: modified from Georgieva (1993), p.72.

First, we should be aware of the argument that environmental deterioration in the East stemmed not so much from socialism *per se*, but arose as a consequence of the particular model of communist party rule that was adopted in the East, with its over-reliance upon the achievement of progress through industrialisation. (Perhaps what is needed is not so much the abandonment of Marxist ideology as the adoption of a different form of socialism in answer to the need for the management of environmental problems.)

Second, the West, as well as the East, has experienced marked deterioration in its natural environment since the period of the Second World War. However, Western capitalism has gone through a number of phases different from those experienced by the East, from an initial phase where the environment was simply seen as a free resource to be used to satisfy the demands of production and to promote economic growth, to a second phase where there is a greater realisation that the environment is not a free resource but, like all factors of production, must itself be costed. This shift stems in part from environmental and consumer pressure and has given rise to a ‘greening’ of the economy, as seen in the development of green production processes and green consumerism. The second phase of ‘green capitalism’ has not solved the environmental crisis and capitalism in the West continues to contribute to environmental degradation, especially in underdeveloped regions within the EU, as well as in developing countries (Baker *et al.*, 1994). In comparison to the earlier phase of capitalism, however, this second ‘greener’ phase can be seen as representing a certain amount of environmental progress, albeit limited. Further, it also gives rise to more environmentally conscious economic behaviour than that hitherto found in the Eastern industrial development model. Whether or not the Eastern European transition economies adopt this modified and environmentally more aware model of economic development remains to be seen, although there is a good deal of initial evidence to suggest that they will rely more heavily upon the older, less environmentally conscious Western path to development.

Third, Western influence has not always been environmentally benign. Increased consumerism has often been accompanied by environmental problems, especially the creation of waste. Indeed, some good practices such as returnable bottles or the emphasis on public transport have been undermined. In the effort to attract investment in a competitive global market economy Eastern European states may sacrifice both jobs and the environment. Efforts to clean up the environment generated by Western influence may be based on existing or outdated technological approaches to clean up rather than an emphasis on pollution prevention, energy conservation and the shift to renewables that is currently being adopted in the West. Thus the shift to the Western model of economic development, away from centrally planned to market-led economies, may not necessarily be good for the environment.

Environmental movements and actors

While communist ideology contributed towards the environmental devastation of East and Central Europe, the attitude of communist regimes, and in particular the Communist Party, towards environmental protection was complicated. In fact, it was difficult for communists not to share the goals that were expressed by environmentalists, as these

could be seen as preconditions for a better life for the population – itself a goal of Marxist ideology. Expressing general concerns for environmental protection and indeed in many cases the passing of new environmental protection legislation, however, is not the same thing as implementing sound environmental management policies. Throughout the period of Soviet rule, the quality of the environment in Eastern Europe declined.

Further, it is also important to bear in mind that such regimes could not tolerate criticism, even from environmentalists. Environmental critiques were seen as a threat to the Party's monopoly and to the strong Marxist belief in progress through industrialisation. It is not surprising, therefore, to find that communist regimes did not welcome the growing green movement that developed in the Soviet bloc in the late 1980s (Fisher, 1993).

Despite the weak interest in environmental issues among the ruling elite, environmental consciousness expanded, especially during the 1980s. As the USSR began to loosen its grip on its East and Central European satellites, the public gradually gained exposure to environmental politics in Western Europe. The West German Green Party for example, was influential not only in Western Europe but also in Bulgaria (Jancar-Webster, 1993). The growing support for the green movement has been explained by Vargha by the fact that public opinion in Eastern Europe linked the crisis of the environment with a deeper critique of the political system (Baumgartl, 1993, p.162). Joan DeBardeleben also notes that the unofficial environmental groups of the pre-revolutionary period of the 1980s were in some cases directly, in other cases implicitly, linked to other political tendencies. A prime example, she argues, is the association of ecological concerns with nationalist sentiments, citing, among others, the example of Armenian protests in the Nagorno-Karabakh regions and nationalist pressures in the Baltic states. These contained a strong element of what she terms 'ecological nationalism', that is, 'a protest against the violation of a pristine national environment by *outside* influences' (DeBardeleben, 1991, p.8, emphasis added). Similarly, the unofficial environmental groups were in some cases, as with Charter 77 in Czechoslovakia and ecologists in the Evangelical Church in the German Democratic Republic (GDR), closely linked with dissident thought. Dissident thought posed a challenge to the Stalinist economic and political models, with its priority on heavy industry and its grandiose industrial gigantism (DeBardeleben, 1991, p.8). Thus, as a consequence of the association of environmental concerns with wider political issues, the resolution of environmental disputes ceased to be limited to the implementation of new or stricter environmental management strategies and became instead bound up with the demand for wider, political reform. The rise of the Bulgarian environmental movement, from its humble local origins in the border town of Ruse and the development of its links to wider political protest, which was in turn to contribute to the downfall of the old regime, is a case in point (see Box 2).

The 1989–1990 revolutions in East and Central Europe were followed by high expectations regarding improvements in social, environmental and economic conditions and free expression of political opinion. Within a few short months, however, this enthusiasm was tempered by the harsh reality of increasing unemployment, rising prices and political instability. These have subsequently acted as constraints on the

The rise of environmental groups in Eastern Europe: the case of Bulgaria

Ruse is the fourth largest town in Bulgaria, situated on the Northern border of the country. Air pollution in the town reached extremely high levels, mainly caused by a Romanian chlorine factory on the other bank of the Danube in Giurgiu. People in the town began to suffer from an unidentified lung disease for which doctors coined a new term 'Ruse lung'. In 1986, 86,000 children and 62,000 adults (out of a population of approximately 200,000) were outpatients of the hospitals, suffering from respiratory, skin and allergy problems. The number of stillbirths was high and during the periods of highest pollution children were admitted to school only with gas masks. The desire of the population to leave Ruse was so great that a governmental prohibition on moving was passed. During the autumn of 1987 the first protests of the mothers in Ruse occurred and the first national alerts to the dramatic situation in Ruse were announced in cultural journals. The scandal of Ruse became a touchstone of the nation's conscience. Grass-roots protest spread with solidarity committees rising in other towns. In March 1989 the Social Committee for Environmental Protection of the Town of Ruse was established following a meeting in Sofia, with 360 founding members, with a large representation from among the Bulgaria intellectual elite.

A few days after the foundation of the Committee the persecution of its founders started, as non-governmental ecological concern was considered counter-revolutionary activity. After this repression the Committee lost its influence but its members were to reappear later in the Ekoglasnost national umbrella movement and by July 1989 all members seemed to have joined this new group. Ekoglasnost demanded public and democratic control over all environmentally relevant decisions, which was in fact a radical critique of core communist ideology. While presenting itself as solely concerned with environmental issues, members recognised broader political roles and goals. The protests of Ekoglasnost acted as a catalyst for internal fights within the Party and for institutional change. When the opposition forum Union of Democratic Forces was established in December 1989, Ekoglasnost was one of its founding groups. However, Ekoglasnost's most vibrant period and its importance as an ecological umbrella organisation came to an end about this time. From the moment when free political discussion became possible, other issues gained importance. By 1990 most members with political ambition left Ekoglasnost and joined the Green Party.

The rise of the Bulgarian environmental movement

Group	Concern	Power	Extension
Ruse mothers	local	ad hoc protest	local
Committee	local	protect movement	regional
Ekoglasnost	strategic	oppositional	national
Green Party	programmatic	political party	national

Adapted from Baumgartl (1993), p.170.

development of an effective environmental policy. Furthermore, newly emerging democracies faced the sober realisation that they lacked the financial, scientific and technical ability to deal with the environmental devastation inherited from the period of Soviet rule. It is not surprising, therefore, that these countries welcomed outside help, including that offered by the EU.

The impact of the EU

Paradoxically, the involvement of the EU in environmental policy formulation and implementation may serve to weaken the strength of the environmental movement in these countries. The lack of access to the EU policy process may disillusion environmental activists while at the same time the general public may come to believe that the West will aid environmental recovery, especially through the provision of finance and technical assistance, leaving little room or need for their own continued involvement. The political and cultural inheritance from the period of communist rule, where the policy making process was inaccessible to the general public, the space for civil society was severely narrowed, opposition muted, public participation minimal and the expression of political opposition or dissent undertaken only at great personal risk, may reinforce the tendency to withdraw from wider public expression of concern about or involvement in environmental issues. Thus, while EU involvement may provide new opportunities for the development of environmental policy, it may also act as a constraint on the development of the autonomous environmental movement.

Even with outside aid, overcoming the negative environmental legacy of the communist regimes is a major task, requiring as it does new approaches to environmental management. However, this cannot be undertaken without changes in three areas:

- 1 economic restructuring
- 2 organisational and institutional changes
- 3 behavioural, sociocultural and educational changes.

Economic restructuring can act as a powerful tool for dealing with the environmental problems in Eastern and Central Europe by reducing the inefficiencies in the economy, especially those related to production, energy use and recycling. New policy instruments are also needed, including the use of taxation, aimed at promoting pollution-free activities, cleaner products and production. The use of such policy tools is now widespread within the EU and is found, for example, in pricing policies that favour lower taxation on unleaded petrol. Also needed is the introduction of export/import regulation and reductions in subsidies, especially the reduction of state subsidies to environmentally unsustainable economic activity. However, the use of economic incentives is at present restricted by the limited understanding of and experience with the use of market-based instruments for regulating production and consumption patterns. Furthermore, property/use rights with respect to environmental resources also need to be clarified.

Institutional changes are also needed to provide effective systems for environmental management and control. This includes the need for staff retraining and upgrading of monitoring equipment and decentralisation of environmental responsibilities and more co-operation with the key institutions of the transition process, especially the

ministries of finance. This co-operation would help to reduce the fragmented policy responses that are typical of environmental management and help to ensure the integration of environmental considerations into all policy areas, steps that are increasingly seen as essential if successful environmental management is to be assured. Strengthening the regulatory mechanism is also of importance but, as we will see below, the implementation capacity of the country has to be taken into account when new legislation is being imposed.

Finally, while the old communist regimes have now collapsed, old attitudes linger and the resolution of environmental issues requires not only clean-up of the environment but also attitudinal changes, especially in relation to the utilisation of environmental resources and the development of a deeper understanding of society's interrelationship with the natural world. Thus, it is important to note that there are a number of constraints operating on the EU stemming from the political, administrative, economic and social situation in the beneficiary countries.

It is clear that in aiding the former Soviet bloc countries to implement more sustainable environmental management strategies, the EU has to undertake a complex variety of tasks. Further, it has to ensure that it helps to meet the expectations of the citizens of the newly emerging democracies and thereby contribute to the stability and legitimacy of the new regimes. Why the EU is interested in undertaking this task and how it goes about achieving its aims is the subject matter of the rest of this chapter.

6.3 EU involvement in East and Central Europe: situating environmental policy in a wider framework of interests

EU interest in East and Central Europe

Since the collapse of the former Soviet bloc, the EU has become involved in helping the countries of East and Central Europe, an involvement that is explicitly aimed at achieving two goals: ensuring a smooth and stable transition to democracy and aiding the establishment of market economies. As part of this task it has also become directly involved in shaping environmental policies in these countries.

The link between the EU economic and political interests on the one hand and its environmental interests on the other cannot be understood without first considering the context within which its wider relationship with East and Central European countries has been framed. There are a number of reasons why the EU is interested in ensuring that the transition to liberal democracy and the market economy is smooth and stable (Pinder, 1991). These include the following.

The potential for trade

The EU believes that market economies, based on the production and consumption of a diverse array of goods and services, are much better adapted to international trade than

are centrally planned economies. The former Soviet bloc countries have a vast potential for trade with the EU and, if realised, this trade could benefit the industry of individual member states and contribute to the economic well-being of the Union as a whole.

Mutual reinforcement

It is believed that, although a market economy can function under an authoritarian government, there are tensions between a free economy and a servile polity. The arguments for liberal democracy and the establishment of a market economy in East and Central Europe are intimately linked. A market economy is considered to be the economic expression of a democratic civil society and it is argued that successful transition to market economies needs to be accompanied by pluralist democracy, which in turn will strengthen the new economic liberalism. Under a liberal democracy the market economy is thus considered to be more secure and better able to safeguard the Union's economic interests.

European military security

The Union believes that pluralist democracy can better accommodate the different national and ethnic identities found within the state boundaries of many East and Central European countries. National conflict in some of the Eastern countries, especially in the Balkans, has been shown to be a serious threat to stability and could also threaten the security of Western Europe. There is also a danger of conflict between newly independent states which, it is believed, is less likely to take a violent expression if pluralist democracy is established. As Pinder has argued, 'In so far as the Community can help to strengthen democracy in its eastern neighbours, it will be enhancing its own security' (Pinder, 1991, p.3).

Containing the German problem

Geographically and historically, Germany has the greatest stake in securing good relations with the East as it is more exposed than the other member states to political instability and conflict in the East. It also has economic interests, as the scope for expansion of German trade with Eastern and Central Europe is enormous. At the same time, the EU has always wished to ensure that Germany, all the more so as it is now unified, remains anchored in the Western system and that it does not play an independent role in the East. Stronger Union ties with East and Central Europe are seen as the best way of providing a safer framework for containing German power.

Expanding its sphere of international influence

The collapse of the Soviet empire has left a power vacuum within Europe as well as at the global level. EU involvement in the reconstruction of the countries of the former Soviet bloc has enabled it to expand its sphere of influence. This provides the EU with an ideal opportunity to establish itself as a major international political and economic power.

Widening and deepening of the Union

The deepening of the Union, through the creation of another field of policy competence, namely East and Central European policy, has given the Union a greater role in international affairs. It has also led to pressure for a widening of the EU, that is, the acceptance of new members, especially those from Eastern Europe. In turn, the accession of East European countries has become an argument for further deepening.

Forestalling social unrest

Finally, there is the danger that if the countries of the former Soviet bloc do not make the transition to market economies they are likely to be beset by increased poverty, social unrest and outward migration to the West and will be more susceptible to authoritarianism and less likely to continue with the transition to pluralist democracy.

Thus it is clear that the involvement of the EU in East and Central Europe offers it unique political and economic opportunities, as it also does to the beneficiary countries. Interest in the development of pluralist democracies and market economies in East and Central Europe has, of course, to be translated into policy. The EU has now developed a framework within which it provides practical support to the countries in transition and its support for environmental policy is one component of this wider policy framework. Such support is particularly important because of the fragility of the

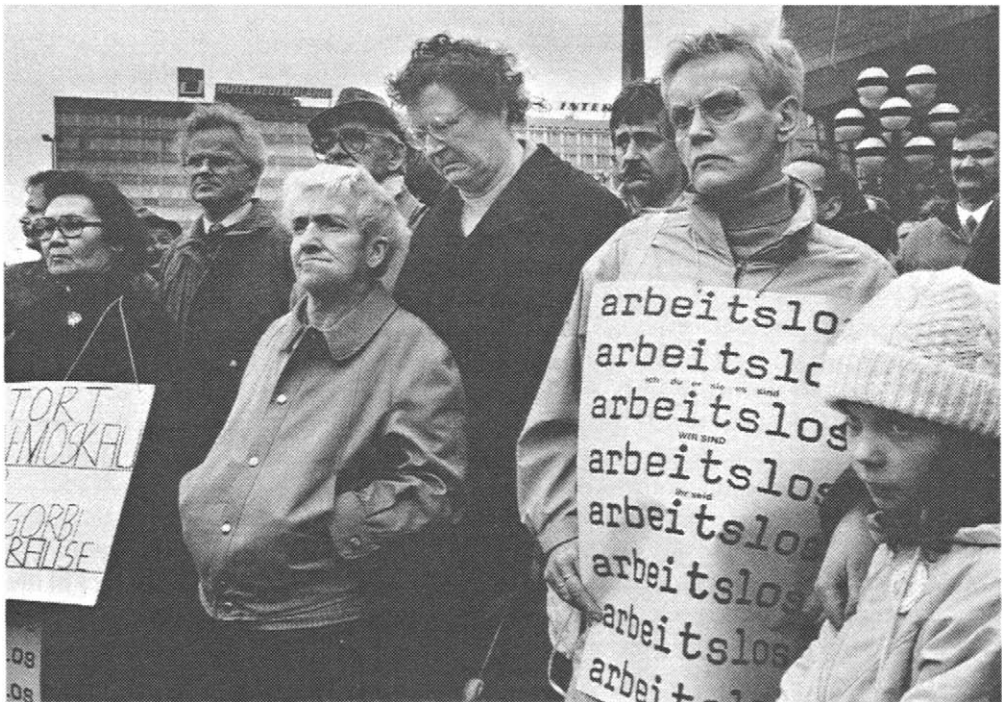


Plate 6.2 Leipzig, East Germany, April 1991. People protest against the slow pace of economic recovery and the uncertain future that lies ahead of them. Photo: Leo Erken/Hollandse Hoogte

transition process in many of the countries involved. The hardships generated, especially by the economic changes, may easily result in public disillusion with the new experiment in Western-style democracy and capitalist economics and destabilise the entire reform process.

The transition to pluralist democracy and market economy: the reform process

The transition process currently under way in East and Central Europe involves a complex array of adjustments at the social, economic, political, cultural, environmental and administrative levels. Such changes include reform of:

- the legislative framework, including passing new laws on ownership and property rights, reform of company law and labour law, including their expansion to include workplace protection, external trade and foreign investment and environmental protection
- enterprise structures away from the domination of the economy by state-owned monopolies to a system based on a mixed economy, with a far greater role for the private sector – this also involves the establishment of appropriate financial institutions, including banks and stock exchanges
- the physical structure necessary for a competitive economy, including modernisation of industrial plant and equipment, the renewal of physical infrastructure, development of the service sector and the clean-up of the environment and the establishment of new environmental protection measures.

The constraints on the reform process include bureaucratic inertia, financial limitations and social and workplace attitudes which all need to be changed (Hess, 1993). A major constraint as far as EU assistance is concerned is that these countries have weak administrative structures, particularly at the local level. Their administrations generally lack the skills to compile a coherent programme and, as Pinder has found, when the Commission asks for details of programmes to assist, it often receives a mere shopping list of projects (Pinder, 1991, p.91). Also the absorptive capacity of the countries, particularly the capacity to implement projects once funding is received, remains weak and concerns have been expressed about their capacity to provide the long-term maintenance of projects once they have been established. While all experience a common problem in this respect, there are nevertheless sharp variations among the former Eastern bloc countries as to their absorptive capacities. It is generally recognised that Central Europe can absorb more help faster than the countries of Eastern Europe.

The shift to a market economy is difficult in countries where the Communist Party's control over the economy undermined the habits that make for an efficient economy and, as Pinder has argued, the system has deprived economic agents of the necessary juridical and institutional framework (Pinder, 1991, p.46). Further, the centrality of the Party in political life had undermined the basis of civil society, making the transition to pluralist democracy all the more difficult to achieve. Democracy not only involves the establishment of a parliament and a competent legal profession and civil service but:

Reaching further into society, this principle has to apply to education and to the economy: both must shake free of the habit of domination by a monopoly party. If

the principle's application is widened further again, it becomes that of the civil society, based, within the rule of law, on 'the autonomy of private associations and institutions', including private business firms. Of particular significance for the political process are the independence and quality of the media (Pinder, 1991, p.39).

When we list the profound and many-sided changes that are required of countries moving from a Marxist-Leninist party monopoly to a stable pluralist democracy, we can appreciate the magnitude of the changes involved and can grasp the fragile nature of the transition process in Eastern and Central Europe (see Box 3).

So far in this section we have examined the interests of the EU in shaping the transition process to pluralist democracy and the market economy in East and Central Europe. In doing so we have focused on the constraints operating on and the opportunities arising from EU involvement in the process of reform. As well as its more general interests in reform in East and Central Europe, the EU has more specific interests at stake in the reform process, including the reform in environmental management and the development of more sustainable environmental policies, to which we now turn.

EU interest in the state of the environment in East and Central Europe

Since the 1970s the conventional wisdom that the nation state is the best level at which to deal with environmental policy management has been severely questioned (Weale, 1992). As other chapters in this book have emphasised, environmental policy is considered an international policy area because of the recognition that pollution does not respect artificial, administrative and political boundaries and that many of the major ecological zones requiring environmental protection, such as river systems, straddle national borders. In keeping with this view, the European Commission has, in recent years, advocated stronger involvement of the EU in international environmental affairs. Its involvement in shaping the environmental policy of East and Central Europe is part of this new commitment, which has grown out of the political desire of the Union to acquire a steadily increasing capacity for external action (Jachtenfuchs, 1992, p.24). This not only compensates for the fact that in some cases individual member states are no longer free to act internationally in a given area because they have given legal competence for doing this to the Union, but also the expansion of its international fields of competence heightens the international profile and standing of the EU as a whole.

This explanation, however, only accounts for EU involvement in international environmental policy as a whole. The Union also has specific interests in overcoming the legacy of pollution left behind by the Soviet regime and in ensuring that future economic activity in East and Central Europe is more environmentally sustainable than has hitherto been the case. The Union believes that the state of the environment in Eastern Europe is of direct concern to it for the following reasons.

The environmental and hence the economic resource base and the health of the population of existing member states of the EU can be severely damaged by pollution generated in East and Central Europe and 'imported' into the EU. The effects on the

Reforms needed for transition to pluralist democracy and market economy

Political reform

- *Democratic practices*
 - Multiparty systems
 - Holding of elections
 - Recognition of minorities
 - Human rights
- *Development of civil society*
 - Trade unions
 - Business interest associations
 - Chambers of commerce
 - NGOs
 - Changes in cultural attitude

Legislative reform

- *Strengthening of existing laws and establishment of new laws*
 - Ownership and property rights
 - Company practice
 - Labour markets
 - Environmental protection
 - Statistics collection
 - External trade and foreign investment
- *Reform of the courts*

Economic reform

- *Reform of enterprise structures*
 - Privatisation
- *Establishment of financial institutions*
 - Banks
 - Stock exchange

Administrative reform

- *Establishment of new institutions*
- *Rationalisation of existing bureaucracy*
- *New managerial practices*
 - Financial management
 - Human resource management and initiative training
- *Upgrading of statistics collection*
- *Opening up policy process*
 - Interest group participation
 - Public access to information

Physical structure reform

- *Modernisation of plant and equipment*
- *Infrastructure development*
 - Roads, telecommunication, rail
- *Establishment of private service sector*
- *Environmental management*
 - Clean-up
 - Prevention at source
 - Ecological modernisation of industry

Social reform

- *Social welfare provision*
- *Cultural attitudes*

eastern areas of Germany and the Czech and Polish parts of the ‘death triangle’ is a case in point, as was the Chernobyl nuclear accident which caused radioactive fall-out well beyond the boundaries of the then USSR.

The Union also has an interest in influencing standards of pollution control for trade reasons. Now that Eastern European imports have penetrated the Union’s markets the Commission believes that competition can be undermined by the sale of goods which are low cost because of low environmental standards.

With the opening up of investment opportunities in East and Central Europe, similar environmental standards are needed across Europe as a whole in order to avoid the flight of industry from the West and its relocation in Eastern Europe, which could potentially offer ‘polluter havens’, enabling industry to avoid the heavy costs of meeting EU pollution abatement standards.

Provision of pollution abatement technology and environmental management skills can provide European industries, especially those that are ecologically modernised, with a new source of profitable business. This is precisely the type of economic spin-off effect of sound environmental management policies envisaged in the EU’s Fourth and Fifth Environment Action Programmes (as discussed by Hanf in Chapter 8 of this book).

Reduction of emission standards in East and Central Europe makes economic sense, as in many cases increased ambient quality in Western Europe can be more cheaply achieved this way than by a reduction in pollution originating from within the Union (Jachtenfuchs, 1992, p.29).

There are regional interests that have put pressure on the EU to take an increased role in shaping and funding the environmental policy of East and Central European countries. Many of the member states of the EU share borders with Eastern European countries and have become the victims of transboundary environmental pollution. This is especially so where two or more countries share a common ecological system, such as a river. As a result the EU, through the Phare Programme, is currently funding a number of cross-border co-operation programmes in the field of environmental clean-up and management. These include joint projects between Bulgaria and Greece, aimed at water treatment and river protection and monitoring systems; co-operation between the Czech Republic and Germany, including the construction of sewage treatment systems; and between Italy and Slovenia, involving the creation of a natural park in the Karst region that spans the two countries (Commission, 1994c, p.23–35).

EU interest is motivated by the belief that an improvement in the living and working environment and hence in the health of those living in heavily polluted zones, would demonstrate in a tangible and practical way the benefits of reforms and thus help to legitimise the transition to pluralist democracy and the market economy. Box 4 gives a summary of the EU’s interests in environmental conditions in Eastern Europe.

It has been argued that much of the expenditure co-ordinated by the EU and intended for dealing with the environmental problems in East and Central Europe will consist of the closure of polluting industrial plants that must anyway be replaced because under the Soviet regime they had depended on unrealistically low energy prices and had become technologically obsolescent. This means that a large part of the spending to improve the environment can be subsumed within the process of regenerating the physical structure as a whole (Pinder, 1991, p.96). This fact can serve to ground further

EU interest in the state of the environment of Eastern Europe

EU Interest	Rationale	Example
General	transboundary nature of environmental pollution	importation of air and water pollution
Political	increase EU's international standing	co-ordination of Phare programme
Strategic	demonstrate the benefits of reforms, and legitimise transition	improvement in local living and working environment, and health legitimises reforms
Domestic	protect EU citizens' health and environment quality	Germany, Czech and Polish death black triangle
Trade	low pollution costs in East could undermine free competition	low priced goods from Eastern Europe on EU market
Industry	halt move by industry to relocation to areas of low environmental standards	'polluter havens' as firms relocation to low pollution standard country
Business	opening up business opportunities for transfer of ecological technology	provision of pollution abatement technology and environmental management skills to Eastern Europe
Financial	ambient quality in EU more cheaply achieved through emission reduction in Eastern Europe	relatively lower cost reduction in air pollution in East, improving air quality in EU
Regional	member states share borders resulting in transboundary environmental pollution at regional level	river systems, such as the Danube; ecological zones such as the Mediterranean

EU environmental management in economic, particularly industrial, strategy. Indeed, it could be argued that one of the prime reasons that many of the governments of Eastern European countries are so willing to accept the EU's role in shaping their environmental policy is not that they have a high commitment to environmental protection as such but that EU environmental policy is in fact funding the modernisation of their industry.

Thus, it is clear the EU's interest in environmental policy in East and Central Europe is not limited to concerns with the environment as such, but is rather part of its wider role in shaping political and economic reform. Similarly, the governments of East and Central European countries see this investment as offering the opportunity not only to engage in environmental clean-up but also to bring about economic restructuring and modernisation. The Commission also realised that it cannot rely exclusively on private capital to undertake this environmental clean-up and management, as many of the more urgent needs are for environmental management of public goods, such as transport infrastructure and clean-up of water and air, for which private capital will not be forthcoming. Given this, the EU has not only to co-ordinate but also to contribute towards funding these policies.

By now the general rationale for EU involvement in the transition process in East and Central Europe and its specific interest in shaping environmental policy will have become clear. Attention now needs to be focused on actual policy content. Following the procedure used above, we begin by looking at general EU policy in this area before focusing in detail on EU environmental policy in the former Soviet bloc.

6.4 EU policy towards East and Central Europe

General policy interests

The development by the EU of a foreign policy is legally sanctioned by article 30.1 of the Single European Act (SEA). The Maastricht Treaty further strengthened the EU's commitment to international action. The Community's first trade and co-operation agreement with a Comecon country, Hungary, came into force in December 1988. This was followed by an agreement with Poland in December 1989 and by numerous others, including Bulgaria, in November 1990.

This involvement, however, tended to be both reactive and *ad hoc* and at Rhodes in 1988 the Community argued for the need for a more coherent and effective response to the changes that were occurring in the Soviet bloc. A decision was subsequently made at the 1989 summit of the G7 industrialised countries to sponsor a programme of aid and restructuring in the former Eastern bloc. Later the G7 as well as the World Bank were to commit funding and the European Commission was given responsibility for co-ordinating the actions of the group of 24 OECD countries under a programme called the Phare Programme (Poland and Hungary: Action for Restructuring the Economy). This was initially designed to help Poland and Hungary carry through their reforms. Being given the task of co-ordinating this entire multinational aid programme was a major political success for the Union (see Box 5).

The position of environmental policy in the Phare Programme is ambiguous. On the one hand, the Commission has argued that environmental policy forms a crucial component of its reform package for East and Central Europe. Furthermore, it argues that its aim is to integrate environmental considerations into all aspects of the economic reform package (Commission, 1992b, p.29). On the other hand, it continuously gives priority to economic reform, even if these measures bring negative environmental consequences. The main priority area for funding, for example, has been the restructuring of state enterprises and private sector development, accounting

The Phare Programme

Initially the assistance that the European Community co-ordinated was confined to Poland and Hungary, but it was subsequently extended to include Bulgaria, Czechoslovakia, the GDR, Romania and Yugoslavia. Albania and the Baltic states were included in the programme in 1992, bringing the total number of beneficiaries to ten. By 1993 this had been increased to 11 countries.

The aim of the Phare Programme is to support the process of economic restructuring in former Eastern bloc countries and to 'encourage the changes necessary to build a market-orientated economy and to promote private enterprise' (Commission, 1992, p.2). The connection between democratic and market reforms was also explicit in Phare and a second, closely related, concern was to help strengthen the newly forming democracies of Eastern Europe (Commission, 1994d, p.1). In this sense the EU's involvement can be seen as a temporary measure, preparing the ground, politically, economically, socially and environmentally, for subsequent inward investment by European industry. This preparation mainly involves giving technical assistance, start-up aid, infrastructural assistance and skill transfer to the recipient country, as well as some humanitarian aid (Commission, 1994d, p.5). As the recipient countries progress with restructuring, it is intended that the focus of Phare will shift away from the provision of know-how towards investment to support the development of economic, social and physical structures for further integration into the Western European system, in particular full EU membership (Commission, 1994d, p.16).

In the first five years of operation to 1994, Phare has made available 4283 million ECU to 11 partner countries, making Phare the largest assistance programme of its kind (Commission, 1994b, p.5). The money takes the form of grants. The allocation of funds is based on the decision 'to base programmes on a two year perspective whenever possible so as to better concentrate on the long-term infrastructural requirements of economies converting to market principles' (Commission, 1992a, p.42).

After 1991, the Community targeted a small number of core areas on which to focus its assistance, areas identified as key to ensuring the success of the transition process. The first of these is privatisation and restructuring of the economy and the provision of a legislative and regulatory framework within which the market economy can function. The second core area is the modernisation of banking and financial services. The third area is the promotion of small and medium enterprises in the private sector. The fourth area is social, including labour market policy and social security arrangements. Finally, there are policies to deal with the strengthening of civil society and environmental protection.

for 23.5% of Phare funds, with 11.5% going to agricultural restructuring and only 9% to environment and nuclear safety, with a similar 9% to infrastructure, including energy, transport and telecommunications (Commission, 1994d, p.7).

Similar ambiguity surrounds the place of environmental considerations in other EU initiatives. While the Phare initiative is the most important of the EU programmes in the former Soviet bloc, it has also been accompanied by other Union initiatives. These include creating the European Bank for Reconstruction and Development (BERD), which has the specific aim of using Western aid to help develop the private sector in Eastern and Central Europe. The Union and its member

states are the largest contributors to BERD and Phare as a whole, although they are joined in it by the USA, Japan and other Western countries as well as by international institutions. Its emphasis is on stimulating private enterprise as well as democracy and the market economy. It is also required to promote in all its activities environmentally sound and sustainable development. However, the shift from declaratory political statements about sustainable development to the integration of environmental considerations into the design and implementation of actual policies funded by BERD has yet to be achieved (European Bank for Reconstruction and Development, 1992). When complex policies are implemented in complex settings the result is often a gap between the declared aim of policy and the actual policy outcome and this case is no exception.

Other initiatives are also in operation, including those of a more directly political nature which attempt to rebuild civil society. As well as the introduction of multiparty elections, democratisation also involves the setting up of a whole range of institutions and the introduction of new procedures and practices in most parts of government, the legal system and in representative bodies such as political parties and trade unions (Commission, 1994, p.135). There is also support for non-governmental organisations (NGOs) which contribute to greater participation of individuals and groups in shaping social and economic development and public policy. Helping the development of the voluntary sector is seen as an important component of the social infrastructure of the newly democratising countries. By helping to establish NGOs similar to those found in the West, it is intended to strengthen the ties that hold these new democracies to the Western system, especially at the local level where it is harder for the EU to penetrate directly (Commission, 1994a, p.48–49).

The overall aim is to encourage the development of an open society and encourage open discussion, debate and increased access by interest groups to the policy process. Debate and public participation is considered to be particularly important in the environmental policy arena for the following reasons. First, this policy field is relatively new and the definition of policy problems is open to much controversy, not least among the policy experts. Second, policy solutions remain relatively underdeveloped and a good deal of scientific and technical uncertainty remains. Participation of environmental interest groups in the policy process helps widen the information and evidence available for use in developing policy solutions, while also helping to win acceptance for particular policy solutions. Third, environmental policy does not fit neatly into existing delineations of administrative competencies, but rather straddles traditional administrative boundaries, such as agriculture, industry, mining, fishing and forestry as well as urban planning. Thus successful policy outcomes require not only that environmental considerations be integrated into the policy fields, but that open debate take place between interested parties, in order to achieve maximum policy coherence across a wide range of policy areas.

Fourth, environmental management also requires behavioural changes, not only within firms and industry but also at the level of the household and the individual. Thus environmental policy cannot be successful if it is seen only as an imposition from above – it must also emerge as the product of ‘bottom-up’ input.

Fifth, NGOs, at least in the West, have played a key role in ensuring implementation of environmental policy, acting as watchdogs of the policy process, including informing on member states who fail to implement fully particular policies, raising public awareness of environmental issues, particularly at the local level, providing

expertise and policy solutions and in some cases actually taking charge of policy implementation (Baker, 1993). NGO participation in ensuring effective and efficient policy outcomes is, at least in part, dependent upon the openness of the policy process to their interests.

Finally, environmental groups played a key role in destabilising many of the old communist regimes, especially in Czechoslovakia and Bulgaria and the expectation is that the new governments not only acknowledge this but that the reform process will provide environmental interests with access to the policy process, which was long denied them under communism. However, it must also be acknowledged that the influence of local and international NGOs on environmental policy since the revolutions has been relatively weak.



Plate 6.3 Berlin, 10 May 1991. Members of Greenpeace scaled the Brandenburg Gate to protest against the use of nuclear energy. 'Energy for the East – Without Atomic Energy' announced a placard strung across the top of the building. The protest came at a time of growing concern over the safety of nuclear reactors in Eastern Europe and the USSR. Photo: Camera Press, London

EU environmental policy for East and Central Europe

From ad hoc to strategic policy

Current EU environmental policy towards East and Central Europe can be dated from the signing in 1988 of a ‘common declaration’ between the Community and the Council for Mutual Economic Assistance. Following this, the first special environmental conference was convened by the Conference on Security and Co-operation in Europe held in Sofia, Bulgaria, in 1989. As far as the environmental dimension of EU policy is concerned, the Commission has argued that:

The basic philosophy is to incorporate ecology into economy and to build on regional initiatives and responsibilities, therefore leading to a totally new strategy based on true energy prices, pollution monitoring systems, new standards for industry and quick action regarding air and water pollution, where efficient techniques should be introduced (Commission, 1992b, p.29).

This statement is in keeping with the current belief of the Commission that effective and efficient environmental management must involve the integration of environmental considerations in all other policy sectors. However, while mentioning that in principle the policies of the Phare Programme have to take account of the environment, little attempt is made to integrate environmental considerations into policy design in specific sectors, giving rise to a gap between expressed intent and policy outcome. Thus, for example, between 1990 and 1993 Phare continued to concentrate its efforts on those sectors that contributed directly to the transition to a market economy and liberal democracy. As the Western experience has shown and as I have argued above, the shift to a market-led economy is no guarantee of increased environmental protection.

The history of the environmental dimension of the Phare Programme can be divided into two phases: an initial phase, characterised by *ad hoc* crisis management and a later, more strategic phase. In the initial phase Phare support covered urgent actions, such as the supply of equipment to monitor air and water pollution, studies on specific problems and help in establishing standards and legislation. The focus was then switched to develop a more strategic approach, based around the development of policies and programmes for specific sectors such as waste treatment. By the second phase, Phare also began to promote environmental investment through co-financing operations with international financial institutions (Commission, 1994d, p.8). Added to this is a sub-programme directed towards nuclear safety to which, after Chernobyl, the international community attaches high priority. In this area, Phare focuses on financing safety studies, improvement of management and control procedures and setting up rapid alert systems and the strengthening of regulatory and safety authorities (Commission, 1994d, p.9). EU management of the safety of nuclear installations outside its own borders protects the Union’s own citizens against radiation dangers.

This shift from *ad hoc* responses to strategic involvement in environmental policy reflects more general changes in the nature of the EU response to the collapse of the Soviet bloc. Soon after the initial EU response to the changes in Eastern Europe, the need was felt to move from an *ad hoc* response to a more coherent and secure relationship with its Eastern neighbours. From this developed the policy of establishing ‘European

Agreements' with a number of East and Central European countries, specifically those that have made noticeable progress towards pluralist democracy and a market economy. At the Copenhagen Summit in June 1993, the Council offered those countries with European Agreements the prospect of full membership of the European Union, as soon as certain economic and political conditions are met. The European Agreements have now become the main framework within which EU policy is formulated in Bulgaria, the Czech Republic, Hungary, Poland, Romania and the Slovak Republic, with Slovenia and the Baltic countries expected to be offered Association Agreements in the near future.

As a consequence of signing these agreements, there has been a tendency, not least in the environmental policy area, for East and Central European countries to 'import' existing EU policy and apply it in their own domestic policy spheres. Granted many of these countries are in the process of negotiating full membership of the Union and thus will eventually have a say in shaping the content of all EU policy, including environmental policy. For the present, however, the newly forming environmental strategies and policies in these countries are moving in the direction of the EU's policy approach, an approach over which these countries have had effectively no say.

There are a number of problems associated with adopting the pollution standards, practices and policy tools currently in use within the Union and having these form a major component of new environmental management strategies in East and Central European countries. First, many of the EU's environmental policies were formulated when environmental policy required unanimous voting in the Council and as such are the result of compromise. They have therefore been the subject of criticism for being too weak in their standards or too narrow in their focus, criticism levelled in particular by EU member states such as The Netherlands which have a strong commitment to environmental protection. Applying these standards to countries outside the EU, it could be argued, is compounding the problems associated with the adoption of low environmental standards. Second, the relevance of these policies, in particular in relation to the specific environmental problems of peripheral regions, has been questioned (Baker *et al.*, 1994). Third, these policy responses were formulated in relation to specific environmental problems within Western countries and it is not at all evident that they are suitable, possible to implement or the most appropriate responses to the environmental priorities of Eastern Europe. Fourth, many of the policy tools, especially those recently suggested in the Fifth Environment Action Programme, require functioning and effective market systems, which remain as yet underdeveloped in many East and Central European countries.

As well as the particular problems associated with the adoption of EU environmental policies in non-EU member states, the move by many former Soviet bloc countries to full membership of the EU also presents wider difficulties. There are still fears of economic failure and, consequently, of a reversion to authoritarian and nationalistic regimes (Pinder, 1991, p.1). The transition to pluralist democracy and the market economy has had serious negative consequences. Economic liberalisation has resulted in the removal of state subsidies and protectionist control, resulting in sharp increases in unemployment. Outward trade with the West is not easy to establish, given inefficiencies and inadequate quality control in production and the necessity to negotiate trade agreements in the face of import barriers throughout the EU as a whole.

Inflation has decreased the value of the already meagre monthly wage, particularly for those on fixed income such as pensioners and most of the economies are already burdened with heavy debt. In this context, the task of the international communities and in particular the EU, is not merely to aid economic transition but to ensure the continuation of public support for harsh economic policies and to prop up what are in many cases fragile political democracies.

This concern is especially directed towards East Europe, most noticeably the Balkan states, where steps taken towards political and economic reform lag behind those already accomplished in Central Europe. In these countries the prospects of pluralist democracy and a competitive market economy seem more distant and the danger of authoritarian nationalism seems greater than in Central Europe. Since the revolution, economic difficulties have also beset Bulgaria and the net material product of Bulgaria, Poland and Rumania fell by over one-tenth in 1990, cutting already low incomes (Pinder, 1991, p.51). The transition is not helped by the fact that in some countries the revolution has been less complete than in others. For example, in Bulgaria and Rumania, the post-communist elections of 1990 produced governments led by the old communist parties, even if they had adopted new names. Evidence of concern over the fragility of these democracies can be seen by the fact that the Commission still keenly feels the need to monitor the situation in Bulgaria and Rumania and to assess whether the necessary political and economic conditions for transition are being established (Pinder, 1991, p.43).

It should, however, be recognised that Eastern Europe has not simply been a passive recipient of EU environmental initiatives and programmes. For example, there was an attempt to develop a pan-European approach or 'Environment for Europe' process, otherwise known as the 'Dobris' process, after the castle near Prague where the conference of European environmental ministers (and colleagues from the US, Canada and Japan) took place in 1991. Although it has not been pursued it does illustrate that there are potential alternative approaches to environmental protection which deal with Europe as a whole rather than in terms of East–West relationships (see Box 6).

Implementation difficulties

As in other policy areas, the successful implementation of the EU's environmental programme is crucially dependent upon the administrative capacity of the beneficiary states. Recognising this, the EU has specifically given assistance to deal with areas of administrative weaknesses in the policy process, as well as giving funding to deal more directly with pollution control. Approximately 1.5% of the Phare budget has gone towards institutional reform. Examples of help in dealing with administrative weaknesses included helping the establishment of special environmental units within the existing central government administrations and providing advice to local level governments on how to restructure operations, as well as training civil servants in their new roles and responsibilities.

Local government was particularly weak during the period of communist rule, when centralised planning left little room for administrative autonomy at the local or regional levels. The development of local government is considered particularly important for successful environmental policy management, as pollution control policy, including monitoring of pollution levels, is usually implemented at the local

The philosophy and objectives of the Dobris Conference 'Environment for Europe', June 1991

Vavrousek states:

'... The basic idea was very simple: to see Europe as a single, very vulnerable ecological unit, afflicted with many severe environmental problems which needed well-co-ordinated national as well as international responses. Unilateral and isolated sectoral activities can be only partially beneficial due to the complexity of human behaviour and interconnected nature of continental as well as planetary ecosystems. So the three long-term objectives proposed for the Dobris conference were derived from these ideas. The first was to upgrade substantially the existing European environmental protection and restoration institutions, national as well as international and to integrate them into a pan-European system of co-ordinated 'mechanisms' of environmental efforts at continental level. This future European Environmental and Protection and Restoration System (EPRS) has eventually to be established as an integral part of a similar global system.

The second Dobris objective was to develop, implement and then periodically to revise an Environmental Programme for Europe (EPE). This could become the common framework for environmental protection activities on our continent. But the third objective was the least conventional and, in my view, the most important. I wanted the ministers to start to discuss human values and environmental ethics for sustainable development as the basis for such ways of life which can re-establish harmony between humankind and Nature ...'

Source: Vavrousek, J. *Accepting the Challenge of Environmental Security*. In Prins, G. (ed.) (1993).

level. Governments cannot effectively govern in liberal democracies without a competent civil service, especially at the local level. Therefore the EU regards helping central government decentralise services to local government level as of particular importance and is actively encouraging the provision of local government officials with the range of skills necessary to take on these new responsibilities (Commission, 1994d, p.8). Another important dimension of ensuring policy success is the aid granted towards the establishment of legislative and regulatory frameworks and the development of institutions and organisations adapted towards the new tasks. These developments are especially important in environmental management, as most of the areas in urgent need of policy management are public goods, such as water and air and as such are unlikely to respond to solutions that are exclusively market-led or are unlikely to be provided for by the private sector alone. Some of the difficulties encountered in implementing EU environmental policy have been highlighted in the case study below, dealing with implementation of the Phare Programme.

Problems with EU involvement in East and Central Europe

Involvement in the reconstruction of East and Central Europe is also not without its difficulties for the Union itself. First, this involvement gives rise to institutional and

The implementation of EU policies: the case of Phare

The implementation of the Phare Programme involves the establishment of an agreed framework of programmes with the national authorities, within which particular projects are then identified. The tendering and contracts procedures used in the Phare Programme are similar to those used in other Union external aid programmes, such as to developing countries. Participation is open to all within the 15 member states as well as those within the beneficiary country. Major supply contracts are the subject of open tenders, published in the official journal. Monitoring and evaluation is ongoing and for each of the main sector programmes, provision is made for a six-monthly audit of expenditure by independent experts.

The funding of the Phare Programme was initially subject to very severe constraints: the budget had to have full commitment within a year, imposing a very short lead-in time between decision and commitment. This made multi-annual development programmes impossible. Later, the obstacles to multi-annual programmes were removed, although the Phare Programme still maintains end-of-year deadlines for commitments. A review at the end of the first year of the Phare Programme pointed to a number of problems in beneficiary states, including:

- inappropriate legal and institutional frameworks
- under-developed institutions, with modernisation of public administration and greater accountability at both local and national level urgently required
- weakness in civil society and lack of social dialogue.

The Commission thus found that a good deal of flexibility in approach was required, as many of the countries involved had no experience as an aid recipient. For example, the Commission found in the early stages of the Phare Programme, when it applied to Poland and Hungary, that both countries had '[...] difficulties in distinguishing between tied and untied aid, between the programme and project approach, between loan and grant finance'. Furthermore, they found that 'The national authorities did not have much time to work out their own medium term objectives and sectoral adjustment policies, let alone the appropriate institutional structures' (Commission, July 1991, p.5).

Consequently the Phare Programme initially concentrated on the establishment of procedures and relationships. In the light of the magnitude of the political and economic changes facing the countries involved, the Commission has spoken openly about the difficulties of getting the Phare Programme into operation. Within recipient countries:

Ministers and civil servants were dealing with new concepts, new processes for which little in their previous experience had prepared them. Least of all had they any experience of handling programmes of development assistance. Thus there were inevitable delays in setting up the organisational structures to agree on national priorities for assistance and to co-ordinate on a national basis the offers of a wide range of donors. Further understandable delays occurred as new Parliaments accustomed themselves to tackling the adoption of the necessary legislation for effecting economic reforms (Commission, July 1991, p.18).

administrative problems for the EU. The co-ordination by the EU of Western policy on the former Eastern bloc is a complex process. This is all the more complex given the nature of the EU's own policy-making process and its complex and opaque institutional structures. The Commission has two Directorates-General involved in policy towards the East: DGI, responsible for external relations and hence for trade, for co-operation agreements, for association and in particular for the Phare Programme; and DGII, responsible for economic and financial affairs and thus for the macroeconomic input into Phare, in particular the financial assistance. To this must be added the input of specific Directorates-General, for example, agriculture, environment, etc. The Economic and Social Committee and the European Parliament also play a role in shaping policy, the latter in particular on budgetary matters, relating to Phare expenditure. The Union's capacity to pursue an effective policy towards the East is dependent upon co-ordination and mutual agreement between these institutions. Experience to date in other policy areas has shown that such co-ordination and policy coherence is difficult to achieve.

Implementation of EU-directed policy is dependent upon the conditions and capacity in beneficiary states, especially at the local level. The EU has difficulty penetrating to these levels, a fact not helped by the weakness of local and regional government in East and Central European countries. Further, the Commission's capacity to assess the aid needs of its Eastern neighbours, to disburse aid effectively and to judge economic and political developments, especially those that threaten the new democratisation, can be questioned. It lacks adequate staffing levels, administrative resources and access to feedback and on-the-ground information. This is in contrast to the help it received in shaping its own domestic policies. Here, the Commission can rely on an array of formal as well as informal networks of contacts. DGXI, which is responsible for environmental matters, for example, is in close contact with the European Environmental Bureau (EEB) which is an umbrella group for many European environmental interests; not only does it provide DGXI with scientific information, but also feedback from activists and updates on policy implementation at the local level (Baker, 1993; Mazey and Richardson, 1994). When it comes to formulating policy for East and Central Europe and ensuring effective implementation, this informal policy input is lacking, for two reasons. First, since the revolutions, environmental groups have declined in importance and influence and have few resources and limited experience in gaining access to the EU policy process. Second, within the EU few if any mechanisms are in place to enable it to reach environmental interests from countries that are not member states of the Union.

The second area of difficulty in relation to EU-co-ordinated assistance to East and Central Europe is connected to political issues within the Union. Increased involvement in East and Central European affairs, especially when that involves added financial commitments, runs the risk of generating opposition at home. Economically weaker member states may come to resent the increasing drain that the reforms place on the EU budget, especially given the enormity of the tasks facing the newly democratising economies. The costs involved in environmental clean-up, for example, could be seen as a drain on resources available for dealing with the Union's own severe environmental degradation which, despite over 20 years of policy effort, shows little sign of improvement. The widening of the Union, to allow new membership from East

and Central Europe, also exacerbates this concern, especially given the already serious deficit in environmental policy implementation within the existing Union boundaries. This deficit has led to the establishment of a Cohesion Fund to enable peripheral member states to cover the costs of implementation of environmental policy. This fund is financially limited and it is doubtful if the Union can reach agreement on its expansion to enable it to be used to fund the implementation of policy outside the Union.

Third, there are problems relating to the undemocratic nature of EU involvement in shaping the policies, environmental or otherwise, of East and Central Europe. The Commission has argued that its policies, such as those directed through the Phare Programme's activities, are 'demand driven', that is, they are a response to the beneficiary state's own requests (Commission, 1992a, p.40). Thus, for example, it has argued that 'The main priorities of Phare funding reflect the priorities and policies of its partner countries and are adapted to the requirements of the reform in each country' (Commission, 1994d, p.6). However, the Commission goes on to argue that:

A condition of Phare funding is that each country maintains a commitment to democracy and progress towards a market economy. Subject to this condition, Phare's partner countries decide priority areas for spending the funds, within a framework agreed with the European Union. This joint process results in Indicative Programmes which cover a three year period (Commission, 1994d, p.6).

In other words, while arguing that its policies, such as the Phare Programme, are demand driven, the EU dictates the framework within which the demands are met. The beneficiary states, given that they are outside the Union, can exercise only limited influence over the legislative and policy-making process of the EU. Allowing them to increase their influence without adding to the already cumbersome and opaque nature of the EU policy-making process is a difficult task. Access to the Court of Justice by East and Central European countries is also restricted. Further, there has been very little public discussion about the role that the EU is increasingly playing in shaping the environmental policy of East and Central European countries and in particular those countries that have signed European Association Agreements. Neither, as Pinder has argued, has there been public discussion on the wider issues, such as the political and economic conditions that the EU is laying down for association or about the elements of pluralist democracy that association and aid are intended to encourage (Pinder, 1991, p.38).

Finally, despite the contribution that EU involvement will undoubtedly make to the management of environmental quality in East and Central Europe the irony (as we noted earlier) is that EU policy, including the Phare Programme, is also likely to make a contribution to environmental deterioration. The reasons for this are linked to the failure of the EU to integrate environmental considerations into other policy areas and to continue to give priority to economic restructuring over environmental protection. Developments in the area of transport infrastructure provide a good example. Transport is one of the major contributors to environmental degradation. However, EU funding of transport policy is primarily concerned with road building and improvement. The development of road networks is considered very important by the EU, especially at the regional level, for example in the Balkans, where road building is seen as having an important role to play in opening up trade in the region. However, instead

of encouraging this trade to be conducted in an environmentally sustainable manner, the programme aims to encourage more road haulage. For example, currently 86 % of international freight traffic in Bulgaria is by road. It is estimated that by the year 2000, the North–South axis will see a net increase in traffic of some 30% while the East–West axis will see an increase of some 25% (Commission, 1994, p.15). The Phare-funded programme is aimed at realising this growth, through, for example, the rehabilitation of some 800 km of roads and motorways linking Rumania with Greece and those linking the former Yugoslavia with Turkey and the Black Sea and the completion of parts of the trans-European motorway. Public transport or development of the more environmentally efficient rail network, is attracting only limited funding under this project, such as the reconstruction of the Dupnitza-Kulata railway line linking Bulgaria and Greece (Commission, 1994c, p.26).

Concern for the negative environmental consequences that the process of transition may bring and in particular those that may arise as a result of EU involvement, prompts us to ask a set of deeper questions. There is a danger that the shift to a market-led approach, which is very attractive to the new elites seeking to reform the command economies, will result in environmental considerations being placed lower and lower on their priority listing. This approach, based as it is on deregulation and the freeing of market forces, may strengthen the historical tendency of policy makers in these countries to push ahead with economic development whatever the cost, be it environmental or otherwise. This leaves us with an interesting topic for further discussion – what have been the environmental consequences of the collapse of communism and the economic and political reforms that this has unleashed?

6.5 Conclusion

We began this chapter by asking a set of questions surrounding the involvement of the EU in shaping the environmental policies of former Soviet bloc countries. Our initial concern was to enquire into the nature of the environmental problems facing East and Central European countries and to ask why these problems had arisen. Our analysis has shown that under the period of communist rule, environmental problems were by and large ignored, either because of the mistaken belief that only profit-orientated and hence capitalist, economic development could give rise to environmental degradation or because of the overriding centrality of the ideology of industrialisation. We then saw that during the period of transition, environmental issues were not just related to the call for stricter environmental legislation, but became bound up with wider political demands. As a consequence, the environmental problems in many countries became linked with political opposition to the communist state.

We then asked why the EU is interested in ensuring more effective environmental management in these countries. We found that East and Central European environmental policy became an international issue, not only because of the transboundary nature of pollution, but because environmental reform in East and Central Europe became linked with the ending of the Cold War. From the analysis presented in this chapter it has become clear that the EU's involvement in environmental policy formulation and implementation in East and Central Europe is undertaken within the context of aiding

these countries to make a smooth and stable transition to market economies and pluralist democracy. EU involvement in shaping the reform process in general and environmental policy in particular, offers it economic, political and environmental opportunities. These include the prospect of increased trade and the opportunity to expand its international standing through involvement in one of the major international political developments of the late 20th century and the chance to improve not only environmental quality in neighbouring countries but also within its own borders. Similar opportunities were also present for East and Central European countries, not least the opportunity to clean up the environmental damage inherited from the period of communist rule, while at the same time allowing them to engage in much needed economic restructuring and modernisation.

However, we also saw that, while there are opportunities, the EU's capacity to bring about an effective environmental management programme is constrained by its own complex policy-making process and by the overriding economic and political priorities of the reform process, as well as fragile democracies, weak administrative capacity, weak local government and undeveloped civil society in the beneficiary states. Further, the EU's dominant role also brings problems for the beneficiary states, not least those connected with the undemocratic nature of the EU's involvement in these countries.

Finally, we asked about the problems associated with the involvement of the EU in playing such a major role in shaping the environmental policy of East and Central European countries. The coupling of environmental policy with the wider process of political and economic transition has brought difficulties. It has meant that environmental policy is limited by and framed within, first, the medium-term goals of transition to pluralist democracy and the market economy and second, the longer term policy goals of widening and deepening of the European integration process. In short, environmental policy management by the EU is not primarily motivated by environmental considerations nor is it primarily directed towards environmental ends.

In conclusion, we have found in this chapter that, while stricter environmental protection strategies have been adopted in the newly emerging democracies of East and Central Europe, environmental policy tends to be reactive, involving by and large the clean-up of the negative environmental legacy of communist rule or the uncritical adoption of EU standards and policy norms; policy effectiveness is hampered by other policy priorities; and implementation is hindered by weakness in administrative capacity, weak local government, the legacy of communist administration, financial constraints and a weakened environmental movement.