

**IN THE ABSENCE OF THE HEGEMON:
EU ACTORNESS AND THE GLOBAL CLIMATE
CHANGE REGIME**

John Vogler,
Keele University U.K.

National Europe Centre Paper No. 20

**Paper presented to conference on
The European Union in International Affairs,
National Europe Centre, Australian National
University, 3-4 July, 2002**

I think something has changed today in the in the balance of power between the US and the EU. (Margot Wallstrom, EU Environment Commissioner, speaking at the conclusion of UNFCCC CoP 6 bis, Bonn July 2001).

The European Union has proclaimed its leadership role in global climate politics. When the failings of the CFSP are admitted the European rescue of the Kyoto Protocol is called in to redress the balance. After Bonn and Marrakech and with the Union's ratification of the Protocol and development of its own scheme for emissions trading there has even been the suggestion that the EU could now act as international climate hegemon (Legge and Egenhofer,2001) The Union is, as will be argued below, both a problematic leader and a most unlikely hegemon. Its current activities and aspirations set a puzzle for two aspects of IR theory. First there is the question of 'actorness' and how to conceptualize an entity for which there are no precedents and for which the template of statehood is evidently inappropriate. In political and environmental terms this is much more than a definitional issue. Having proceeded with the Kyoto Protocol in the absence of the United States the stark question is can the Union deliver? Does it have the coherence and decision-making capability to act in accordance with the responsibilities it has assumed and to make a reality of at least some of the aspirations contained in the 1992 United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol? Put another way, we are used to considering the United States as an hegemonic power, but is the Union in any way comparable?

The other question, which speaks to the nature of contemporary international environmental cooperation, is does it need to be comparable? The short answer is certainly no. For a considerable period the US has been a laggard in international environmental negotiations and a number of significant conventions have been negotiated with something less than full American participation. Whatever may be the case in the trade or monetary regimes the hegemonic stability thesis on regime formation cannot be applied to the record of international environmental cooperation. More plausible is the negative proposition advanced by Porter & Brown (1991) that there are certain 'veto states' whose opposition will obstruct regime formation. This is evidently applicable to the current situation in relation to the Protocol. There is, first, the technical barrier to 'entry into force' contained within the provisions of the Protocol itself. Fifty five ratifications are required, but more crucially the ratifying parties must together account for fifty five percent of all Annex I developed country emissions. The United States has denounced its signature of the Protocol and it has become clear that Australia will not ratify. On the other hand all 15 EU Member States, the Community and Japan have ratified. This approaches the critical threshold for EIF and makes Russian ratification decisive.

However, for most of the lifetime of the UNFCCC climate regime it has been the accepted wisdom that given the size of its economy and the fact that it accounts for some 35% of the carbon dioxide emissions of the developed states the United States occupied the position of veto state. In the Intergovernmental Negotiating Committee (INC) which drafted the text of the 1992 Climate Convention

the then British environment minister Michael Howard, brokered a deal on behalf of the Community whereby wording which would have committed the developed country parties to an actual and binding reduction in greenhouse gas emissions by 2000 was removed. The price of US signature was a much weaker Art.4.2 which merely encouraged the parties to reach this target and it should be recalled that in an election year the administration of Bush senior was quite capable of boycotting the new UN Climate Convention in the same way as it did the parallel Biodiversity Convention. In the subsequent development of the UNFCCC the EU position was for a long time that while QUELROs (quantified emissions reductions and limitations) of ghgs (greenhouse gases) must necessarily be at the heart of a climate regime they would only be acceptable if applied to all the industrial competitors of the Union.

This remained the position as the EU prepared to press forward with the Berlin Mandate by developing its own 'burden sharing agreement' or 'bubble' at the March 1997 Environment Council. The agreement allowed the Union to approach negotiations in the AGBM (Ad hoc Group on the Berlin Mandate) and finally at the 1997 Kyoto CoP with a very progressive stance of 15% emission reductions on a 1990 baseline by 2010. However US resistance to making any significant reductions in fossil fuel use itself forced EU negotiators into making important concessions, not only in the varied Kyoto reductions targets that were agreed, but in the acceptance of flexibility mechanisms for the achievement of such targets which were at the heart of the Kyoto deal. These involve Joint Implementation and the Clean Development Mechanism (both allow developed countries to offset their own emission reduction targets against assistance given to other states in reducing their ghg emissions). They also involve something that previously had been entirely alien to the European approach to pollution control - an emissions trading system. It is not the least of the ironies of climate politics that this American inspired technique has now become the centrepiece of the EU approach to a climate management system from which the US has chosen to absent itself.

The next phase of the climate regime set negotiators the laborious and complex task (outlined at the Buenos Aires CoP of 1998) of fleshing out the detail and implementation of the heads of agreement reached at Kyoto. The process was scheduled to end at the November 2000 Hague CoP6 in the dying days of the Clinton administration. This ill-organized and ultimately bad-tempered meeting was marked by a failed attempt by British Minister John Prescott, once again, to compromise with the United States and through extensive concessions ensure its inclusion in a final deal on Kyoto. This time the issue was the controversial one of how much allowance Parties should be granted from their emissions commitments in respect of their creation and preservation of sinks for carbon dioxide (notably forests). The established EU line was that such allowances were unacceptable and in the end another compromise with the US proved impossible, although not without significant internal rancour within the EU delegation over what seemed to be an unauthorized British demarche.

The arrival in office of the administration of George W.Bush finally put paid to attempts to placate the supposed 'veto state' with some weakened version of the Protocol which through use of the

'mechanisms' and some judicious accounting in respect of sinks would allow US emissions to continue at present rates and even increase. The administration declared the Protocol 'fatally flawed' and denounced the US signature. One well-known American academic commentator (Victor, 2001) went so far as to publish a book proclaiming the death of Kyoto. This was certainly premature although it may prove to be prescient. The immediate survival of the Protocol and the subsequent conclusion of its detailed provisions at Bonn (CoP 6 bis) and Marrakech (CoP 7) was without question a direct consequence of the resolve of the EU to proceed without the US. This abandonment of its previous insistence on an inclusive agreement can be read as a direct challenge to the United States. As in other fields, notably trade, the EU is defining itself in relation to the United States. Its spokespersons have long asserted European environmental leadership. Yet the decision, confirmed by the Gothenburg European Council in June 2001, to move ahead with the Protocol in the face of outright US rejection may well come to be seen as a crossing of the rubicon in international environmental politics.

Failure to follow through with the implementation and operation of the new climate change regime will have a range of damaging consequences, for any hope of managing climate change at the international level, for the whole practice of international environmental governance and, not least, for the credibility of the EU itself. There will be numerous determinants of success or failure. Many doubt the relevance of the Protocol to ameliorating predicted anthropogenically produced climate change and probably the best gloss that can be placed upon progress so far is that it begins a process of constructing the architecture for what will have to be far more extensive management. Major concessions have already been made by the EU and other Protocol supporters in order to move to ratification. On the horizon is the question of emission reduction commitments by developing states (a US sticking point under the Byrd Hagel Resolution of the Senate).

The decision to proceed in the absence of the hegemon places a heavy responsibility on the EU. One major worry must be that up to now 'climate leadership' has been a relatively cost-free exercise for the Union's politicians and citizens. This much was ensured by the burden-sharing agreement which allowed the southern Member States actually to increase their CO₂ emissions while full advantage was taken of the special circumstances of German unification and the British transfer from coal to gas fired electricity generation. Both allowed substantial and effortless emission reductions to be made from a 1990 base. However, as the Community's Climate Change Programme (ECCP) makes plain this will not be the case in the future especially when requirements for changes in European transport systems involving limitations on air travel and switching from road to rail have to be addressed.

There are a whole range of questions relating to the above and to the intriguing development of a pan-European and potentially expanding Community emissions trading system. The focus of this paper is, however, more narrow. It is upon the capacity of the EU as an actor to lead the global climate change regime and to operate effectively in the absence of the US. This will be a crucial determinant of the future of the climate regime and arguably already has been for much of the analysis below rests upon evidence of

the Union's performance over a decade of climate politics.

Conceptualizing Actorness

Traditional and 'realist' approaches to IR have focused almost exclusively upon the role of states as actors. In consequence realist treatments have neglected the potential of the EU as an actor in its own right, focusing instead upon its utility as an instrument of its most powerful Member States. In international law, too, states remain pre-eminent. However if we accept the significance of climate politics as a key arena of contemporary international relations we are forced to consider the EU itself as an actor. A cursory reading of press reportage or most accounts of the development of the regime will serve to demonstrate that the Union is widely constructed as an actor in its own right. This also reflects the legal situation where, as in a number of other areas, the European Community (but not the Union) is recognized to have legal personality and is a signatory, alongside the Member States of both the Framework Convention on Climate Change and the Kyoto Protocol. In environmental conventions, including the FCCC, it appears in the special guise of a Regional Economic Integration Organization - a category within which the Community is the only extant example.

The status and growing international role of the EC/EU is one of several factors which have led IR scholars to broaden the scope of their analysis to include a range of non-state actors. Contemporary pluralist analyses, however, have tended to categorize the EU/EC alongside other intergovernmental organizations which do not enjoy legal personality and lack the special status and characteristics of the Union. Finally, those scholars who have dealt specifically with the EU have tended to restrict their analysis to the traditional areas of foreign policy supposedly represented by the Common Foreign and Security Policy (CFSP) and the nascent European Security and Defence policy (ESDP). Such treatments view the EU as an incomplete and incompetent quasi-state, hence failing again to capture the general significance of the EU in the world system and its specific role in climate change politics. The approach adopted here conceives of the EU neither as a partly formed state nor as an over-developed intergovernmental organization. It derives from a more extensive study (Bretherton & Vogler, 1999) which treats the EU as an actor *sui generis* and which, in examining the totality of external policy areas, attempts to ascertain the Union's overall significance as a global actor.

Actorness implies volition. It is a measure of a unit's capacity to behave actively and deliberately in relation to other actors in the international system. Undoubtedly, over the past decade, there has been an aspiration for the EU to enhance its status as a distinct actor. declarations to this effect are numerous - from the stated objective of the Union to 'assert its identity on the international scene' (Art.2, Treaty on European Union) to the Commission's ambitions, as articulated in Agenda 2000 -

The Union must increase its influence in world affairs, promote values such as peace and security, democracy and human rights, provide aid for the least developed countries, defend its social model and establish its presence on world markets, prevent major

damage to the environment and ensure sustainable growth with an optimum use of world resources . Collective action by the European Union is an ever-increasing necessity.

Europe's partners expect it to carry out fully its responsibilities. (Commission 1997a:27)

This broad and challenging agenda clearly demanded that the EU progress beyond its practice, in several external policy areas, of simply reacting to external events and demands. Thus the focus, here, is upon the extent to which the EU has developed the capacity to move beyond rhetorical statements and reactive policies in order to make conscious choices and decisions - and hence to engage in purposive externally oriented action.

The development of actorness may be regarded as a process, involving three facets and the interconnection between them - presence, opportunity and capability.

presence conceptualizes the relationship between the internal development of the EU and third party perceptions and expectations of the EU's role in world politics.

Opportunity refers to factors in the external environment which enable or constrain purposive action.

Capability refers to the capacity to formulate and implement external policy, both in developing a proactive policy agenda and in order to respond effectively to external expectations, demands and opportunities.

Presence and the Construction of Actorness

Broadly following Allen & Smith (1990), presence refers to the ability to exert influence, to shape the perceptions and expectations of others. Presence does not denote purposive external action, rather it is a consequence of the external impact of internal policies and processes. Thus presence is a function of being rather than doing. Inevitably presence is enhanced by the success of the European project - reflected in the implementation of internal measures such as the creation of the single market or the accession of new members. Similarly it must be supposed that presence will be diminished by failure - in relation, for example, to the current internal reform processes and projected eastern enlargement or, more broadly, the perceived lack of legitimacy of the EU amongst Europe's peoples and, increasingly, sections of the political class. The EU's espousal of the Kyoto Protocol has now given climate policy very much greater salience, such that success or failure will most definitely affect the Union's external presence. This has rarely, if ever, been the case with other aspects of environmental policy.

Climate change is not only an extremely grave international problem but an issue which had been acquiring a symbolic profile in the protest movement against the destructive effects of globalization. It may therefore be affirmed that this agreement on the Kyoto

Protocol was of major importance in terms of the regulation of globalization and international governance (European Parliament,2002:7-8).

The expectations surrounding EU presence in the climate change issue area are now huge and perhaps dangerously so.

Presence has undoubtedly played an important role in the construction of actorness. The relationship between presence and actorness can be relatively direct, in that active responses from third parties generated by internal policy initiatives tend to produce, in turn, demands for action by the EU. The trade diversionary effects of setting up the Common Market or the malign external implications of CAP subsidies provide obvious examples of this process.

In respect of climate change the sheer scale of the single market ensures that the Union will be the closest rival the US in terms of tonnage of CO₂ emissions (if not in per capita emissions). This along with various community competences in areas such as atmospheric pollution provided the basis upon which the Union, alongside the Member States, began to act and was expected by third parties to act in the climate change arena. Early attempts at Community action were not auspicious. The Commission's carbon taxation initiative of the early 1990s failed and while there has been a political commitment to make policy for the Union as a whole there are wide divergences between Member State approaches and some notable inconsistencies. At the moment the key internal policies are still at the planning stage. The widest set of measures proposed by the Commission fall under the heading of the European Climate Change Programme (ECCP). As well as measures in direct support of Kyoto Protocol implementation they include a range of energy efficiency and demand management proposals and a public awareness campaign. Most controversial are proposals for transport involving a modal shift towards rail, infrastructure charging and the promotion of biofuels (Commission 2001a).

The centre-piece of the Union's approach is, however, its own carbon emissions trading system. Covering power generators and large industrial plant it is designed to assist fulfilment of Kyoto commitments and has been designed to be compatible with the international emissions trading system which is one of the flexible mechanisms of the Protocol (Commission 2001b). Once this becomes operational it will have numerous 'presence' effects involving membership of applicant countries and potential world-wide involvement. Doubtless, it will provide the basis for additional actor capability for the Union in the diplomacy of the climate change regime. It will, if successful also demonstrate another aspect of presence. This might be termed the 'demonstration effect' of the EU model. It is something that has been assiduously promoted by the Commission particularly in respect of the creation of free trade areas and customs unions amongst the EU's associates. Arguably other EU environmental policies have over the years been influential amongst third parties and served to reinforce their expectations of a proactive Union role. Conversion of all such aspects of presence into actorness, however, requires opportunity.

Opportunity

During the early years of the development of the original Communities the external environment was dominated, politically, by the Cold-war bipolar structure and, economically, by US preponderance within the Bretton Woods system. Freed from direct concern with military security or monetary stability, the process of European integration flourished in the early years. beyond the requirements of the Common Commercial Policy there was little expectation of, or opportunity for, proactive external action.

By the mid 1970s, however, the international system was increasingly seen in terms of (primarily economic) interdependence. This was associated with Cold War detente and a decline in US dominance, reflected in the demise of the Bretton Woods system. It was manifested in perceptions of vulnerability - to economic instability but also to transboundary (and by the 1980s) global environmental problems. In circumstances where the ability of individual states to regulate increasingly global processes was in question the EC appeared well placed to act externally on behalf of its members. During this period, however, increased opportunity saw only tentative steps towards EU actorness.

One step was taken at the end of the decade with EC involvement in its own right with an international environmental negotiation process establishing the 1979 Long Range Transboundary Air Pollution Convention. This UNECE sponsored negotiation was very much within the spirit of detente and the EC was able to take advantage of a relaxation in the usual Soviet objection to its participation. Apparently the unfulfilled Soviet expectation was that similar treatment would be afforded to Comecon. The LRTAP negotiations also devised the REIO formula to cover EC participation alongside the Member States. Although this marked the seizure of a propitious external opportunity EC participation was grounded in internal developments. The 1970s had seen the rapid acquisition of internal Community competence as environmental policy developed in areas such as air pollution, waste management, water quality and acidification. The 1970 ERTA judgement of the ECJ had already established that where Community competence existed competence for external negotiations automatically followed.

The ending of the Cold War had enormous overall significance for the development of the EU's external roles. Routine objections from the Soviet Union to EC participation came to an end and new relationships were forged with countries in Asia and Latin America, so that the potential influence of the Union is now truly global. The EU has also benefited in terms of opportunity, from the way in which some very high-profile environmental negotiations on stratospheric ozone, climate and the Rio process coincided with the ending of the Cold War. During the negotiations for the 1987 Montreal Protocol the chief US negotiator could make out a credible (but disputed) case for American leadership (and that the whole agreement had been delayed by the inability of the EC to resolve its internal difficulties) (Benedick 1991). Whatever the merits of Benedick's case at the time, during the past decade, as climate change has come to the fore, the idea of US environmental leadership has, to put it politely, ceased to be credible. As one Commission official referring to a range of environmental negotiations put it, 'the US has raised sitting on its hands to the status of an art form' (Interview DGXI Brussels 6 June 1996). US obstructionism and

disengagement across a range of negotiations left the EU with a leadership opportunity that it was, in the view of Commission officials uniquely qualified to seize:

The US is a strong political actor whereas the EU is a slow moving but weighty ship. The Community position has more weight in the long term. The US often cannot define a credible negotiating platform - they cannot think of all the ramifications, on North - South issues for example as the the Community can. In climate, forests and biodiversity the EU is the only leader while the US is absent, blocking or destructive (Interview DGXI Brussels 4 June 1996).

Not only is the US no longer a leader but it has been involved in a progress of progressive distancing from active involvement in climate change management, culminating in the March 2001 formal denunciation of the Kyoto Protocol. US withdrawal from the negotiations prompted the observation by CoP6 President Pronk that the EU 'had become the only game in town' (ENB, July 2001:34). Clearly this has provided the EU with a unique opportunity to capitalize on its economic and environmental presence and to assume (perhaps extend) its leadership role in the climate change regime. While EU representatives have enthusiastically claimed this role it remains to consider the extent to which the EU possesses the capacity to achieve and sustain it.

Actor Capability

In order to build upon its formidable presence and exploit the opportunities available the Union must possess a number of the prerequisites of actor capability. They include the following:

Shared commitment to a set of overarching values and principles.

The ability to identify priorities and to formulate coherent and consistent policies.

The ability to negotiate effectively with third parties.

The first of these prerequisites is relatively unproblematic. The Treaties set out broad values and principles to which the EU and its Member States are committed. These include a commitment to integrate sustainability into all policy areas. In the specific case of climate change the European Council and the Parliament have been robust in their view of the urgency of the situation and in their determination to support the Kyoto Protocol.

Unproblematic, too, is the ability to identify priorities and formulate policy - at least in principle. In practice, however, the extent to which this is realised varies considerably between policy sectors. Inevitably, as in any complex policy system, divergent interests generate controversies which impede policy formulation. EU policy-making is, however impeded by difficulties which flow from its unique character. These are commonly identified as coherence and consistency.

Consistency

Consistency is of great significance as it provides an indication of the degree of political commitment, at the highest level, to the development of a global role for the EU. Consistency denotes the extent to which the policies of Member States are consistent with each other and complementary to those of the EU. Hence it is a measure both of Member State commitment to common policies and the overall external impact of the EU and its Member States. In areas such as trade in goods where there is exclusive community competence and common policies are entrenched, consistency is not a significant issue. Here the Community is well established in its various roles as a trade actor with the Commission representing the Member States in bilateral negotiations with third parties and in multilateral negotiations in the context of the WTO.

In many areas of EU external policy (for example development aid) consistency can cause difficulty. In relation to climate change three issues deserve consideration. First, despite the Community competence for 'preserving, protecting and improving the quality of the environment'(TEC Art.174) which provides the legal basis for EC ratification of Kyoto (Council) Member States retain overall responsibility for highly relevant but politically sensitive policy areas such as energy, transport and taxation. Across all areas of environmental policy a situation of 'mixed competence' has pertained with the degree of competence enjoyed by Community and Member States varying by issue and by negotiation (Vogler,1999). A very high level of Community competence exists in the Basel Convention negotiations, for example, because they involve waste disposal and trade. Climate change by contrast, has been an area in which Community competences are restricted and Member State competencies remain extensive. The very different energy interests of Member States have been, for the moment, reconciled in the burden-sharing agreement but there remains a great deal of scope for inconsistency as the Union attempts to proceed with the Commission's proposals in the Climate Change Programme. There is even evidence of emerging inconsistency in the development of emissions trading system, with a UK national system in some ways incompatible with EU proposals (Jones 2001). It is also most unlikely (given experience during negotiations for the Nice Treaty) that Member States will agree to concede competence to the Community in the key areas of tax, transport and energy. All these problems are well known to third parties and, again influence perceptions of EU actor capability.

The second area where consistency problems impinge upon actorness relates to the differing external orientations of Member States. This has ben perhaps most evident in the contet of the UK's relationship with the USA. It has been common practice for UK officials and politicians to apologize privately to their US counterparts for a tough common position adopted by the EU: and also for UK officials and politicians to attempt to cut informal deals with the US outside the context of formal Presidency- negotiations. A particularly prominent example of this practice led to a very public row between John Prescott and the French Presidency when the former attempted to salvage the 2000 CoP 6

negotiations through personal and higher level contacts with the US delegation and government.

Both types of consistency problem have been used by opponents to undermine the EU's position. There is also a third problem which has a more formal and legal character but has been used in the same way, particularly with respect to the EU 'bubble'. This rests upon the incompleteness of the Union as an actor and queries as to whether it has the capacity to bind its Member States to an agreement. It was a persistent theme during the AGBM meetings in advance of Kyoto. Despite these problems, the record on climate change demonstrates that the Member States are capable of reconciling their differences in order to adopt and maintain a consistent position in relation to third parties during protracted negotiations. This is, of course, not the whole story because, as will be discussed below, there are a number of adverse implications for the efficiency of the EU as a negotiator. More profoundly, much has depended upon the device of the burden-sharing agreement and the longer term environmental price of resolving different Member State interests in this way may be high. For instance the agreement sends the wrong signals on energy efficiency to a number of countries which are allowed to actually increase their emissions from a 1990 baseline.

Coherence

Problems of coherence are of a different order, but nonetheless significant. They stem from the internal policy processes of the Union. In overall terms, the fragmentation of external policy between several externally orientated Directorates-General of the Commission is exacerbated by the Pillar structure, which formally separates Community external policy (Pillar I) from the Union's political foreign policy (CFSP) in Pillar II. This separation is reflected in the dual representation of the Community/Union by Chris Patten and Javier Solana. Paradoxically, the arrival of these prominent and able appointees, who have joined the Presidency and the Commission President in claiming to represent the EU, has served both to increase its international visibility and to draw attention to the incoherence of its external persona(e). While this may not appear to impinge directly on environmental diplomacy, the apparent absence of overall political direction inevitably impacts upon external perceptions and expectations generally.

At the same time the problems of coherence affect external environmental policy specifically. Again these reflect the complexity of the policy area, in that policy responsibilities are divided between several DGs of the Commission. Within the Commission, despite a range of mechanisms intended to facilitate coordination of external policy, there has been a tendency of the preferences of the most powerful DG (and associated Commissioner) to prevail. This has been particularly evident in the relationship between DG Trade and DG Environment. More generally, there are significant and unresolved differences between the DGs over the extent to which environmental matters should be dealt with in the context of the WTO (Bretherton & Vogler 2000). Climate policy involves many of the Commission's DGs plus industrial lobby groups and thereby provides significant scope for inconsistency. A documented case of how the bureaucratic politics of Brussels operated in the early phase of climate policy-making is

provided by Skjaereth (1994) in respect of proposals for carbon taxation and the pressure towards a policy of conditionality with respect to any offers made by the EC in relation to other OECD countries. The reversal of this position in recent years would make an interesting companion study.

An exacerbating factor has been the relative weakness of the Environment DG and the inexperience of successive Environment Commissioners, who have not proved adept at operating within the Brussels bureaucratic environment. Thus, despite the personal commitment and charisma of the present incumbent, critics point to her reluctance to 'play the networking game - or appoint a team of people who can do it for her' (Ryborg 2002:36). This suggests that the EU's green agenda, so assiduously pursued in the context of the Kyoto Protocol, will remain subordinate to the imperatives of trade policy. Indeed it could be that the shift in EU position towards acceptance of, even enthusiasm for, market-led approaches to climate change management reflects in part the relative influence of trade and environment interests, both within and beyond the Commission.

Negotiating Ability

In areas of exclusive Community competence, notably trade, the Commission negotiates on behalf of the Member States albeit on a mandate agreed and monitored by the Council (specifically by the Art.133 Committee). In environmental policy areas under mixed competence the interlocutors of the EU are often presented with the spectacle of an actor which can change its shape in the course of a day or even an hour. On Community competence issues the Commission will lead while elsewhere the Presidency and the Troika will take on this role. Climate change was initially seen as an area where the Community had minimal competence and the early INC negotiations, to write the text of the UNFCCC, did not formally include the Community. These talks were also marked by a lack of EC discipline with Member States openly disagreeing with each other. The INC came under the sponsorship of the UN General Assembly, a body in which the Community still has very limited recognition (it has to negotiate for anything more than observer rights every time that a major UN conference occurs and the achievement of the following footnote to Agenda 21, prior to UNCED, is regarded as an achievement by the Commission: 'When the term Governments is used, it will be deemed to include the European Economic Community acting within its areas competence').

Since the Community signed the Framework Convention as an REIO the formula has been that the Union negotiates 'at 16' with the Commission represented alongside the Member States. In climate talks it is the Member State holding the Presidency that leads for the Union as a whole and these negotiations have not apparently been afflicted by the kind of competence squabbles and confusion that have marked some other episodes in environmental diplomacy (the early stages of the Montreal Protocol negotiations and more recent forestry talks for example).

Some problems, frequently complained of by outsiders, inevitably afflict EU delegations operating beyond exclusive community competence. First, the rotating Presidency does not encourage the

holding of a firm course and some smaller member states are ill-equipped to undertake the burdens of leadership (Luxembourg for example held the Presidency during the CoP 3 at Kyoto). The requirement to relate to an agreed mandate from the Council and to hold co-ordination meetings at conferences on top of national delegation meetings and plenary and working group does not make for flexibility in negotiation. Under some circumstances this can become a bargaining tool but often it means that the EU tends to be primarily reactive. There is substantial evidence of this throughout the Kyoto negotiations where the EU tended in the main to accept American amendments and proposals as long as EU 'red lines' on quantified emissions limitations and sinks were defended. Thus the Union became the proponent of what were essentially US practices and ideas! However it should not be forgotten that throughout the EU, at a strategic level, provided 'the ambition that drove the numerical targets of the Kyoto Protocol' (ENB 1997:38). It has also, since the CoP 1 in Berlin (and in line with its practice in a number of other negotiations) provided a bridge between the concerns of the G77/China and the developed world.

Grubb and Yamin put the critical side of the case as follows, in this instance in relation to the failure at the Hague in 2000:

Another reason for the failure of the Cop 6 negotiations may have been the rather weak performance of the European Union. Observers of most international negotiations are by now familiar with the uncoordinated, reactive and fragmented style of European diplomacy. The negotiations leading up to and at the Hague were characterized by the fact that the EU was not in a position to counter the various proposals of the Umbrella Group-in large part because the coordination of 16 dissonant voices(15 Member States plus the Commission) is an Herculean task (Grubb & Yamin 2001:285).

This is not entirely fair. There are a number of environmental negotiations where the EU performance has been very different and the WTO would reveal a rather different picture, but it does describe at least some of the key events at the Hague.

If the Hague represented the nadir of the EU's fortunes as climate negotiator, subsequent diplomacy reveals a marked improvement. Take for example the EU's leadership expressed in the intense and coordinated diplomatic effort undertaken in the interval between CoP 6 and the reconvened Cop 6 bis at Bonn. During this brief period EU diplomatic missions were undertaken to Australia, Canada, Japan, the Russian Federation and Iran, while the governments of several Member States, including the UK, France and Germany, showed consistency by simultaneously putting diplomatic pressure on the governments of key countries, notably Japan (ENB,2001). In many ways this effort demonstrates what the Union can achieve given the requisite political will and 'in the absence of the hegemon'. The verdict of the European Parliament rapporteur, not always an uncritical source on the doings of the Commission and Council, may be considered appropriate:

The EU has given proof of its leadership capacities. Without the Union's determination, it would

not have been possible to fragment the 'umbrella group', thus ensuring that other countries did not follow the example of the US and rescuing the Kyoto Protocol from an otherwise certain death (European Parliament 2002:3).

Conclusions - The EU as climate hegemon?

The EU it has been suggested, has built upon its presence, exploited opportunities and demonstrated some capability to act in global climate politics. It remains to consider whether it can sustain or even develop upon this success and fulfil the, probably excessive, expectations that have been generated by its self-proclaimed role as saviour of the Kyoto Protocol.

Since 2000 the EU has demonstrated the political will to assert its leadership and the Protocol has now been ratified by the Community and the Member States. However, Russian ratification is required for EIF and this remains uncertain. At the same time a transatlantic dialogue has been initiated with the US administration as to future collaboration on climate issues.

Assuming that the Protocol enters into force there are a number of outstanding questions relating to implementation. The maintenance of consistency amongst the Member States has been greatly facilitated by the creative approach to burden-sharing pioneered by the Dutch presidency in early 1997. This in turn rested upon the favourable emissions situation of Germany and the UK. However, while EU greenhouse gas emissions for 2000 were 3.5% below the 1990 base, there has been a slight increase in emissions between 1999 and 2000 (Euromail 914,2002). Given that the Union's Kyoto commitment is a reduction of 8% by the Protocol's first commitment period of 2008-12 this gives cause for concern. As the Commission argues meeting the EU commitment will require the early adoption of a range of measures under the ECCP (Commission 2001a:3). To reverse what appears to be a rising trend of emissions Member States will have to implement policies in spheres of energy, transport and construction which are likely to be 'visibly unpopular in nature' (European Parliament 2002:10). The Commission's proposals on implementation of the first phase of ECCP certainly address these issues, requiring *inter alia*, 'a modal shift from road and air' to cleaner transport via railways and waterways (Commission 2001a:14). However, in the political context of a marked shift towards right-wing populist policies evident across much of the Union, the will and capacity to implement unpopular policies is likely to diminish, particularly when they are perceived to emanate from the EU. As will be asserted below, enlargement can be a very positive factor in enhancing the Union's role in the global climate change regime, but it is also bound to complicate the internal political situation in the immediate future. Failure to meet Kyoto targets, for whatever reason, would itself also exacerbate the divisions between Member States and delegitimize EU efforts to maintain its leadership role as an international climate actor.

In summary there are a range of uncertainties over the future of the Kyoto Protocol and the continued leadership role of the Union. This is not, of course to gainsay the significance of the way in which the EU has already been able to act. Yet there is another way of approaching the development of the

climate regime which goes beyond the established ways of thinking about international environmental cooperation. Multilevel environmental governance is more often talked about than studied but the development of carbon trading may represent the first working model. The Community's proposed emissions trading system which to be precise is a 'cap and trade' system is designed to play a central role in meeting the EU's Kyoto commitment. Covering power generation and other large installations it will account for some 45% of total EU carbon dioxide emissions. Under the scheme Member States will issue an agreed number of permits to emit carbon dioxide which will be progressively reduced on an annual basis. Such permits will be tradable across the single market so that firms will have the choice of cutting their emissions and profiting from the sale of excess permits or continuing to emit higher levels of carbon dioxide while bearing the financial cost of purchasing additional permits. The net effect of this US pioneered form of environmental regulation is to reduce aggregate emissions while allowing firms flexibility in their energy use.

They key point is that this is not simply an internal response to the Union's Kyoto commitment. Its technical details have been designed to be compatible with the emissions trading flexible mechanism of the Kyoto Protocol but it is also envisaged that the scheme may spread from the European Economic Area Countries, through the Accession countries and beyond.

It can also link up with domestic trading schemes established by particular countries, such as those that may be established by in the Accession countries if those countries have not already joined the Union. Such a linking would require the conclusion of agreements with other states according to which governments agree to mutually recognise each schemes allowances towards fulfilment of the domestic obligations of institutions (Commission 2001b:16)

If the scheme were to develop, even in the absence of a Kyoto Protocol that had entered into force, its attractions to outsiders would a powerful example of EU 'presence'. There would, as indicated, above be elements of 'actorness' as well in the negotiation of enabling agreements with third parties. Emissions trading schemes have already begun in various parts of the world and it is by the elaboration of its own dominant scheme that according to Legg & Egenhofer (2001: 4) the EU could become the international standard setter and acquire an hegemonic role finding 'itself in control of the most important international regulatory effort to limit greenhouse gases'. This kind of expansive politics has already occurred in that in recent years efforts have been made to ensure that EU positions on climate change have been 'elaborated jointly with candidate countries'(Council 1998:2). This is a practice extending well beyond climate change policy. At the General Assembly, for instance, the EU Presidency regularly speaks on behalf of the Member States and the applicant countries, commanding a voting bloc of up to 30 countries when EEA members are included.

All this should not be oversold. The interlocking of the EU's trading system may or may not solve the central problem of US non-participation in Kyoto. The process of enlargement is fraught with dangers

as well as opportunities and 'finalising the EU scheme could take years' (Jones 2001:15). Nonetheless the conjunction of a new type of international actor with a radical departure in international environmental regime building should fascinate students of international relations and environmental policy alike.

References

Allen, D. & Smith, M. (1990) 'Western Europe's presence in the contemporary international arena', *Review of International Studies*, 16(1): 19-37.

Benedick, R.E. (1991) *Ozone Diplomacy: New Directions in Safeguarding the Planet*, Cambridge MA, Harvard University Press.

Bretherton, C. & Vogler, J. (1999) *The European Union as a Global Actor*, London, Routledge.

Bretherton, C. & Vogler, J. (2000) 'The European Union as Trade Actor and Environmental Activist: Contradictory Roles?' *Journal of Economic Integration*, 15(2): 163-94.

Commission (1997a) 'For a stronger and wider Union', *Agenda 2000*, Vol.I, Strasbourg, DOC(97)6.

----- (1997b) *Climate Change, the EU approach to Kyoto*, DOC(97)481.

----- (2001a) *Communication from the Commission on the implementation of the first phase of the European Climate Change Programme*, Brussels COM(2001)580 final.

----- (2001b) *Proposal for a Directive of the European Parliament and of the Council establishing a scheme for greenhouse gas emissions trading within the Community* Brussels COM(2001)581 final.

Council (1998) Environment Council Press Release, 323 No. 11603/98, Luxembourg, 6.10.98.

Earth Negotiations Bulletin (1997) Vol.12, No.7.

----- (2001) Vol.12, No.176.

Euromail (2002) No. 914.

European Parliament (2002) *Report on the proposal for a Council decision concerning the conclusion, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments thereunder*, A5-0025/2002 FINAL.

Grubb, M. & Yamin F. (2001) 'Climate Collapse at the Hague: What happened and where do we go from here?' *International Affairs*, 77,2, April, pp.261-276.

Jones, C. (2001) 'EU's Climate Strategy leaves UK in the cold', *The Parliament Magazine*, issue 130, December 17th: 15-16.

Legge, T & Egenhofer, C. (2001) *CEPS Commentary: After Marrakech: the regionalization of the Kyoto Protocol*, CEPS Brussels, www.ceps.be

Porter, G. & Brown, J.W. (1991) *Global Environmental Politics*, Boulder CO: Westview.

Ryborg, O. (2002) 'Wallström's Green Team', *E!Sharp*, March: 35-7.

Skjaerseth, J.B. (1994) 'The Climate Policy of the EC: Too Hot to Handle ?', *JCMS*, 32,1 March, pp.24-45.

Victor, D.(2001) *The Collapse of the Kyoto Protocol and the Struggle to Slow Global Warming*, New Jersey: Princeton UP.

Vogler, J. (1999) 'The European Union as an Actor in International Environmental Politics' *Environmental Politics*, Autumn, 8,3, pp.24-48.