

When Do Networks Lead to Effective Governance of Long-Term Cross-Cutting Policy Problems? Lessons from coordinating the impacts of EU policies on developing countries.

Camilla Adelle¹ and Andrew Jordan²

¹ Institute of European Environmental Policy, 28 Queen Anne's Gate, London. (corresponding author, e-mail: cadelle@ieep.eu)

² Centre for Social and Economic Research on the Global Environment (CSERGE), School of Environmental Sciences, University of East Anglia, Norwich.

Paper Presented at the Berlin Conference of Human Dimensions of Environmental Change
22-23 February 2008, Berlin.

ROUGH DRAFT: Please do not Quote without Authors' Permission

Abstract

In its White Paper on Governance in 2001 the Commission demonstrated its intention to move towards the increasing use of networks in its governance approach. However, despite a raft of literature on policy networks there remains an ambiguity surrounding their effective use, which this thesis seeks to address. In particular, much of the empirical research so far has focused on sectoral networks. In contrast, many of the EU's long-term policy problems, such as sustainable development, are cross-cutting issues which require coordination between different sectors. In these circumstances some of the assumed operating characteristics of networks, such as trust, shared values or that they are self-steering, may no longer be valid. This paper tests an analytical framework which distinguishes between two types of policy network, namely sector networks and inter-sector networks, against empirical evidence from the coordination of two EU policy areas which have impacts on the sustainable development of countries outside Europe: EU mercury production and use, and the reform of the sugar regime. It arrives at three main findings. First, the presence of networks does not necessarily lead to effective governance. Sector networks can actually inhibit horizontal coordination where as inter-sector networks are needed for the coordination of cross-cutting policy issues. Second, contrary to the assumptions of some authors, networks are not always self-steering and therefore may require network management. Finally, network-based coordination mechanisms, currently being favoured by the EU, such as Impact Assessment, are not a sufficient condition for inter-sector networks to form. It is necessary for effective inter-sector networks to already be in place if these mechanisms are to function effectively. These findings suggest that the EU should be more cautious about rushing into the use of networks without further research and normative thinking about their effective use and management.

Introduction

In 2001 the Commission published its White Paper on Governance (COM (2001) 428). This paper indicted the Commission's intention to move away from top-down regulation to so called 'new modes of governance' which relied more on softer non legislative policy instruments, such as voluntary regulation and the Open Method of Coordination.¹ The White Paper also proposed to institutionalize closer links with actors outside of EU institutions in order to strengthen its democratic credentials (Sbragia 2002) and thereby develop 'input legitimacy' (Skogsted 2003). In other words the Commission advocated less central control and the greater use of networks in steering the EU (Schout and Jordan 2005).

In fact, in its search for new policy instruments to pursue policy coordination, it has been suggested that networks were the only real practical alternative for the EU to the traditional top-down Community Method (Lenschow 2002b; Jordan *et al* 2003a). This is mainly because market-based coordination mechanisms offered little potential, since Member States continue to resist the Commission's attempts to develop competences over matters of tax (the most obviously useful market-based mechanism) mainly for domestic political reasons (*ibid*). Networks, on the other hand, appeared to offer the Commission a more politically acceptable means to add value to national-level activities ('doing more with the same') by working more closely with Member States (Jordan and Schout 2006).

However, the assumptions on which our understanding and use of the networks are important if networks are to be used effectively and lead to coordinated outcomes. Borzel (1998, 267) points out that "the ambiguity of policy networks has to be tackled, that is the conditions have to be specified under which policy networks may enhance the efficiency and legitimacy of policy making and under which they deploy the opposite effect". Peterson (2004, 125) more specifically has rung alarm bells over the EU's interpretation of network governance: "the salience of the EU's management and legitimacy deficit points to the need for normative thinking about how EU policy networks should be structured, managed and subjected to oversight and control". Therefore, it appears that there is now an urgent need to add both to the theory and practice of networks by testing and exploring assumptions about their use and management.

To date there has been a vast amount written on governance and networks (along with hierarchy and markets). However, the majority of the empirical work on networks has been focused on the sector networks, which can inhibit coordination. This paper attempts to respond to this call to tackle the 'ambiguity of policy networks' as well as responding to Peterson, i.e. to make suggestions about how and when to use networks to govern. Specifically it aims to test the Commission's assumption, as evidenced in its 2001 White Paper on Governance, that networks self-steer and therefore produce coordination without the need for much active management.

¹ In contrast to the traditional Community Method of Coordination (i.e. regulations), the Open Method of Coordination involves Member States setting targets and pursuing these through 'soft' governance instruments such as benchmarking, sharing best practice and monitoring and evaluation.

The next part of this paper explores some of the literature on networks and sets up a theoretical framework which distinguishes between two types of policy network, namely sector networks and inter-sector networks. It then discusses whether all networks are indeed self-steering as is often assumed. The next section of the paper examines the EU's use of networks in the coordination of a cross-cutting issue, namely sustainable development. In particular it sets out the coordination of two policy areas to examine the role of policy networks in a real world context in the EU. Specifically the role of self-steering networks in this coordination is examined. The next section of this paper sets out some theoretical reflections in terms of whether the theoretical framework set up earlier in the paper has been supported. The final, and concluding section of the paper, discusses the implications of the findings for EU governance.

Two Schools of Networks

Rather than achieving coordination through prices (markets), or administrative control (hierarchy), networks are generally considered to produce coordination through trust and loyalty (Thompson 2003, 30). However, there is some confusion in the literature about whether networks always lead to such positive outcomes in terms of coordination. This confusion may arise from the presence of two distinct strands of the literature on networks each of which presents a different view of networks. As Borzel (1998, 255) explains:

The more prominent 'interest intermediation' school interprets policy networks as a generic term for different forms of relationships between interest groups and the state. The 'governance school' on the other hand, conceives policy networks as a specific form of governance, as a mechanism to mobilise political resources in situations where these resources are widely dispersed between public and private actors.

The distinction between the two schools is fluid and not always clearly made in the literature. Besides, they are not mutually exclusive but there are a number of incongruence between these two schools which it is useful to discuss here.

Interest Mediation School of Networks

The more prominent 'interest mediation school' is largely Anglo-Saxon based and argues that networks have many characteristics, including trust and loyalty, shared values and norms, resource sharing, group rules, and relative membership stability (Rhodes 1997b; Rhodes 1996). Marsh and Rhodes, two of the most famous advocates of this approach, have proposed a typology of networks to describe different state interest relationships according to the different characteristics that they feature (Marsh and Rhodes 1992). More than just describing state interest relationships, this branch of network literature attempts to use networks as a theory to explain policy change.

However, there appears to be some debate about whether this has been done successfully as the model seems to indicate that policy networks do not easily lead to policy change (Marsh and Rhodes 1992) (surely a prerequisite for policy coordination). Instead networks can inhibit coordination by establishing enduring patterns of repeated interaction and the evolution of rules and restricting access to

newcomers (Kjaer 2004). Therefore, despite attempts using this network model to prove otherwise, until recently, far from being considered as an aid to efficient policy making and coordination, networks have been “considered synonymous with resistance of vested interests standing in the way of effective and democratically legitimized problem solving and policy innovation” (Kickert *et al* 1997a, 1.1).

The Governance School of Networks

This is in contrast to the second, ‘governance’ school of networks, which has had far less attention in the literature and portrays networks as a coordination strategy (while using much of the background assumptions about networks from the interest mediation school). According to this school, which is largely based on German public policy literature, networks are thought to be a specific form of (modern) governance (Kooimann 2003). This school starts from the assumption that modern societies are characterised by disaggregation where effective problem solving capacity is split into a number of sub-systems with limited competences and resources (Borzel 1998). The result is a functional interdependence of public and private actors in policy making which must cooperate to mobilise joint resources to achieve interdependent policy goals (Kooimann 1993).

Under the conditions of increasing societal sub-systems, this understanding of policy networks as a mode of governance offers crucial advantages over the two other forms of governance – hierarchy and markets. Policy networks for instance do not necessarily lead to dysfunctional consequences such as the problems of market failure and, unlike hierarchies, they do not produce losers who must bear the cost of the policy decision. In fact, this school of policy networks claims that in certain circumstances increasing governance becomes only feasible within policy networks (Borzel 1998). However, to function as a coordination strategy effectively, governance networks must overcome potential problems in reaching consensus among diverse actors (Kenis and Schneider 1991).

Reconciling the Two Schools

So how can the same structures, networks, be responsible both for coordination and inhibiting coordination? The answer may be that in reality there are two related but different types of network. The state/interest networks are generally conceived to be actors linked in the same policy sector. For example, Peterson and Blomberg (1999, 8) define policy networks as “a cluster of actors, each of which has an interest, or ‘stake’ in a given...policy sector and the capacity to help determine policy success or failure”. These, networks therefore, contain actors with shared values and interests and so exhibit a high level of trust and cooperation and achieve solutions which are suitable for their members.

Perversely, this high level of vertical coordination may inhibit horizontal coordination across sectors (Peters 1998). By keeping outside interest from entering the network, sector networks can keep the agenda to suit their own interests rather than the greater good. Governance or coordination networks, on the other hand, need to be horizontal

networks which span several sectors which are involved in a cross-cutting issue i.e. they are inter-sector networks. These networks will have a low level of vertical coordination as actors will not necessarily share common values and objectives and so trust and cooperation may be low. Therefore, while the often discussed network characteristics can be exhibited they are by no means a prerequisite for all networks at all times (Coleman and Perl 1999; Wright and Hayward 2000; Kjaer 2004; Thompson 2003; Richardson 1996).

One of the characteristics which is often asserted for networks not discussed yet in this paper is that they are self-steering (and therefore also self-forming). The next section explores the possible merits of this assumption and the consequences if networks do not in fact always self-steer.

Are Networks always Self-steering?

Traditionally networks have been presented as “autonomous” and “self-organising” i.e. self-steering (Rhodes 1996, 659) by the ‘interest mediation’ school. This understanding of networks leads to the implicit assumption in many studies that once policy networks are in place, the form of governing that follows is “network governing” (Damgaard 2006, 673). This understanding of networks, which may well be true in homogeneous sectoral networks, has been translated across to the governance school. Rhodes (1996, 660) even defines governance as “self-organising inter-organisational networks”. Resource dependencies and shared values facilitate network actors to “identify their mutual inter-dependence, formulate and implement shared strategies (which involves gathering and analysing information, setting priorities and solving problems), and build the required organizational structures at network and actor level” (Schout and Jordan 2005, 201).

The implication is that in the presence of networks, coordination requires little or no central hierarchical steering (*ibid*). Some authors have gone as far as to suggest that networks actively resist hierarchical steering (Rhodes 1996; 1997a; 2000a) and any interference from governments can be seen as detrimental (Kooimann 2003). However, there are also authors who question the ability of networks to self-steer and satisfactorily govern policy problems (Jordan and Schout 2006; Richards and Smith 2002). Instead these authors point to the need for some kind of network management (Kickert *et al* 1997a; Metcalfe 2000; Johansson and Borell 1999). Network management advocates believe that many of the intrinsic shortcomings of policy networks in terms of their ability to facilitate coordination, e.g. being non transparent and closed, can be avoided through adequate management (Kickert *et al* 1997a). This observation may help the concept of networks to bridge the divide between their two main conceptions.

It is easy to see why it was originally assumed that networks were self-steering, since they were originally developed to describe the segmentation of policy making into mutually discrete sectors made up of actors with shared interests and values (Jordan and Schout 2006, 23). It is not unreasonable to assume that actors would in these conditions come together and self-steer to promote their interests in their sector. The work of Ostrom (1990) on models of self-organization is relevant here. Ostrom specified that certain conditions were needed under which iterative processes of institutional building can lead to the appearance of effective governance systems.

These conditions include: the actors in the network should recognise their interdependence, be few in number, and know and trust one another.

New policy areas of a cross-cutting nature, however, involve many different actors from many different sectors (and in the case of the EU, many different countries) (Jordan and Schout 2006). As a consequence, crucial elements of networks, such as trust or shared values, may be lacking. In addition, some actors (especially smaller NGOs) may lack the capacity (and incentive) to invest in coping with organisational interdependence, even if the need is anticipated (Metcalf 2000). In these circumstances, the assumption of self-organisation may well not be correct (Jordan and Schout 2006).

While new networks have emerged in some cross-cutting issues, they do not yet have the necessary coordination capacity to lead us away from “an inter-organisational version of the tragedy of the commons in which individual...rationality conflicts with collective rationality” (Peters 1998a, 299). In fact, Schout and Jordan (2005, 17) warn that in cross cutting policy areas such as sustainable development, where the values of actors may be very different and everyone may be busy tackling their immediate priorities, “it is quite conceivable that some much-needed networks may never self-steer (i.e. that they simply will not form at all), or they may evolve in ways that are ineffective”.

The Role of Network Management

If networks are *not* spontaneously self-steering (and self-forming) then some form of active central (i.e. hierarchical) steering may need to be explored. Network management “is aimed at coordinating strategies of actors with different goals and preferences with regard to a certain problem or policy measure” (Kickert *et al* 1997a, 1.0). Problems with coordination in networks can emerge as the existence of blockades to collective action, vague goals, the absence of important actors or the lack of crucial information (Kickert *et al* 1997a). Network management aims to improve the cooperation between involved actors (Klijn and Koppenjan 2000).

Thus network management can be seen as “promoting the mutual adjustment of the behaviour of actors with diverse objectives and ambitions with regards to tackling problems within a given framework of interorganizational relationships” (Klijn *et al* 2001, 44). This area is the “distinctive contribution of the so-called Dutch school of network analysis” (Thompson 2003, 179). The approach does not preclude the concept of self-steering in networks, but it also asks how to manage these relationships, particularly how governments can manage them. Therefore, the increasing importance of networks does not necessarily bring about less government. Rather it poses new challenges to government actors (Kjaer 2004), the challenge of governance through network management (Kickert 1997, 735).

The next section examines how the EU is using and managing its networks. Specifically, it identifies a management deficit in the Commission’s use of networks. And sets out the EU’s use of network-based coordination mechanisms in the EU’s pursuit of a cross-cutting policy issue, namely sustainable development. The main part of the section then investigates two policy areas which have an important ‘external dimension’ to the EU’s pursuit of sustainable development. It explores the role of

policy networks in coordinating this dimension of sustainable development along side the more traditional internal economic, social and environmental aspects of sustainable development.

The Governance Potential of EU Policy Networks

The EU's Management of Networks

While there are some authors that feel the EU, specifically the Commission, is to some extent involved in network steering or management in some way (Sbragia (2000; Richardson 1996), another view is that the Commission engages in too little network management. Metcalfe (2000) believes that the Commission's failure to lead is one of the main causes of the management deficit in the EU. Schout and Jordan (2005, 3) also feel that the EU's "arms-length approach to network management" is ineffective. This "arms-length" vision of network management in the EU is evident in the EU White Paper on Governance (COM (2001) 428) which outlines the importance of agencies, decentralisation, partners, local learning and the Open Method of Coordination such as the Cardiff process. The problems associated with transnational networks are, in general, over looked apart from pointing to the need for a stronger culture of voluntary cooperation. However, it suggests few measures to achieve this beyond setting up websites to improve contact between interest groups; joint training of national civil servants and twinning schemes between old and new Member States (COM (2001) 428, 18). Schout and Jordan (2005, 207) conclude that implicit in the Commission's thinking on networks in this paper is that "networks *are* an effective means of coordinating policies; and the most relevant actors will be sufficiently motivated to want to join them".

While networks are undoubtedly important in the EU, "they retain a strongly sectoral focus" (Schout and Jordan 2005, 31). Therefore, in their present form, they are not efficient coordinating strategies for tackling the coordination needed for cross-cutting issues. Networks used for the coordination of cross-cutting issues, such as sustainable development, may need to be more cross-sector in nature than the traditional intra-sector interest mediation networks. They may, therefore, need to exhibit both vertical coordination and more horizontal coordination (Peters 1998a). Not all inter-sector networks will necessarily share some of the fundamental characteristics assumed for sector networks such as a shared trust and loyalty (Kjaer 2004). Therefore, it may be misleading to assume *ex-ante* that these networks are also self-steering (as it is assumed to be a key characteristic for (sector) networks).

Networks in the EU's Pursuit of Sustainable Development

It has been argued that the EU is particularly turning to network-based mechanisms to pursue environmental or sustainable development goals (Schout and Jordan 2005; Lenschow 2005). There are three main network-based coordination mechanisms that the EU has deployed to implement sustainable development and which are examined in this thesis: the Cardiff process; Impact Assessment (IA) and the Thematic Strategies. The Cardiff process aimed to create a multi-actor 'partnership' or network of environmental actors which undertook to integrate environment and sustainable development considerations into policy sectors. IA also aimed at opening up the policy debate beyond the traditional sector actors by creating a network of actors from

all relevant sectors to generate and share information on the impacts of policies proposed by the Commission. Crucially, IA was supposed to look at any unintended spill-over impacts on sustainable development. The Thematic Strategies similarly aimed to facilitate (through consultation) the formation of networks of actors from different sectors as well as from different levels of government (local, national and EU) which came together to tackle cross-cutting issues such as natural resource use and soil protection.

The two case studies which follow make reference to only one of these network-based coordination mechanisms, namely IA. Mean while, the IA regime was introduced by the Commission in 2002 as “as a tool to improve the quality and coherence of the policy development process” contributing to “a more coherent implementation of the European Strategy for Sustainable Development” (COM (2002) 276, 2). The Commission anticipated that the IA regime would identify the likely positive and negative impacts of policy proposals and would be a valuable communication tool which would be the focus for consultation and discussion with interested parties (*ibid*). Thus it is meant to open up the policy debate beyond the traditional sector networks and link stakeholders through information exchange and discussion into an inter-sector network.

The External Dimension- a cross-cutting policy issue

Since Rio in 1992, the EU has attempted to act as a leader in the pursuit of international SD (Lightfoot and Burchell 2002). However, the then EU Environment Commissioner, Margot Wallstrom in 2003, warned that “our credibility will suffer if unsustainable trends [in the EU] persist, or if our policies have detrimental impacts outside the EU, in particular on the development opportunities of the poorest countries” (Wallstrom 2003). In fact, these ‘detrimental impacts’ threaten to undermine the EU’s claim that it is “well placed to assume a leading role in the pursuit of global sustainable development” (COM (2001) 264, 6). It is in this context that the EU has begun to acknowledged the importance of not only the impact of its policies on sustainable development inside its borders but also outside (i.e. the external dimension of EU sustainable development). For example the EU’s first Sustainable Development Strategy stated that:

sustainable development should become the central objective of all sectors and policies. This means that policy makers must identify likely spillovers – good and bad- onto other policy areas and take them into account. Careful assessment of the full effects of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU. (COM (2001) 264, 6).

Similarly, the renewed Sustainable Development Strategy adopted in 2006 sought to “actively promote sustainable development worldwide and ensure that the EU’s internal and external policies are consistent with global sustainable development and its international commitments” (European Council 2006a, 4). However, having recognized that it must ensure consistency between its policies and global sustainable development, putting this into practice is clearly a matter of policy coordination. As concluded by Lightfoot and Burchell (2004, 338) “the EU is still grappling with issues of *internal policy coordination* which prevents it from fully being able to implement

its commitments to external sustainable development” (emphasis added). In other words, addressing the external dimension of EU sustainable development places significant demands on internal EU bureaucratic processes to coordinate the incidental impacts of its policies.

Mercury-Case Study

External Dimension - Mercury is a highly toxic metal, which can cause damage to the nervous system even at relatively low levels of exposure. Since the 1970s it was the subject of continuing international, regional and domestic policy making, including in the EU. However, increasing restrictions on its use in industrialized countries led to a mercury surplus which was sold on the world market. This fuelled low mercury prices facilitating its abundant use in developing countries where it was much less regulated. At the dawn of the new millennium, the EU was the largest exporter of mercury in the world and about to increase its mercury surplus even further.

Traditionally, the European chemicals industry was characterised by strong relations between national chemical industries and the state (Grant et al 1988). As the chemicals industry became more international after the second world war, the chemicals industry became one of the strongest industry groups in the EU. Euro Chlor (representing the chlorine manufactures) as a major player in the network along with DG III Industry (now DG Enterprise) and industry ministers in the Member States which had the strongest industry presence (UK, France and Germany). Therefore, in the 1960s and 70s the mercury policy area was controlled by a closed sector network which defined the ‘policy problem’ as mainly a technical one of innovation and increasing production (Duncan 1981; Grunewald 1981) and other issues, such as the environment, were given a low priority and in fact were kept off the agenda (i.e. there was little or no conscious trading-off (i.e. coordination) between the different dimensions of sustainable development).

However, this was about to change. Over a period of three decades, the rise of the global environmental movement led this closed network to come under pressure from a number of environmental actors, including DG Environment, environmental NGOs, as well as ‘green Member States. In particular, concern over long-range heavy metal pollutants led actors to seek international solutions to these environmental problems and several regional and international agreements were signed in this period which laid the foundations for restricting the use and disposal of mercury (amongst other things) (Seline and Seline 2006). The EU introduced its first environmental legislation concerning mercury partly as a response to the need to coordinate the implementation of these international conventions (IEEP 2006a).

While at first these international agreements and EU legislation only impacted lightly on the chemicals industry, by the mid 1980s environmental actors had worked to strengthen and augment many of these international agreements (Selin and Selin 2006) as well as EU legislation. In particular, subsequent daughter directives of an earlier directive on dangerous substances discharged into the aquatic environment set standards controlling mercury. This forced the chlorine industry to introduce alternative, less polluting processes at substantial cost (IEEP 2006a). The proliferation and upgrading of international and EU legislation (which continued in the 1990s) illustrated the influence of the new environmental actors which had entered

the network. However, the chemicals industry had not completely lost control of the policy area as they were able to put up successful resistance to the more ambitious endeavors of the environmental actors (such as Sweden, Denmark and the Netherlands).² Therefore, environmental actors had succeeded in forcing their way into the policy network over three decades (in fact some chemicals policy was now the responsibility of DG Environment), and had gained control of mercury emissions but the chemicals industry had managed to retain the right to use the mercury in their plants, albeit at lower emissions levels i.e. the economic dimension of SD was now being traded off to some extent for the environmental dimension but greater trade-offs.

By the late 1990s, mercury pollution was still a concern for some ‘green Member States’. Sweden, who was by then the main international and EU champion of mercury policy and had ban its export from 1997, and the Netherlands, who also had developed an interest in the area of heavy metals pollution, brought their concerns to the Environment Council in 2001. In particular, that mercury was still considered a product and not a waste and so was free to be traded on the global market uncontrolled by any legislation. The council consequently asked the Commission to “clarify the legal situation regarding the conversion of the chlorine industry” and identify the consequences for the use of mercury. This resulting report suggested that between 12,000-15,000 tonnes of mercury surplus which was locked up in the chlorine industry should be controlled, possible through storage. It is evident that the consideration of the external dimension was central to this thinking “in order to be effective, a solution must take into account the global situation” (COM (2002) 489) 17) It went on, “if this mercury is not with properly, it could represent a higher risk for the environment than the present situation” (COM (2002) 489, 9). As a consequence of this report, the Environment Council invited the Commission to present a strategy to deal with the ‘mercury problem’. Therefore, a new opportunity had been created for a wholesale review of the EU’s use of mercury.

By the time DG Environment started its Impact Assessment on the Mercury Strategy as well as its stakeholder consultation, the actors were already very used to interacting and working together (i.e had formed an inter-sector network). Indeed they were publishing information in 2003 long before the official consultation started by DG Environment (interview 1; Euractiv 2003a; Greenpeace 2003; Bio-probe 2003; Ministry of Environment-Sweden 2004; Euro Chlor 2003). This level of interaction was facilitated by the Commission’s consultation workshop on the Mercury Strategy in 2004 which brought together over one hundred stakeholders, including Member States, for one day to discuss the possible proposals. In these discussions although many differing views were expressed, even Euro Chlor was not against action on the part of the EU (though it would have preferred the EU not to act unilaterally) as long

² For example, a recommendation the OSPAR decision 90/3 to phase out the use of mercury in chlorine plants by 2010 was relegated to merely a recommendation in the face of pressure from countries with a strong chlorine industry, such as the UK, France and Germany, Spain as well as Euro Chlor (interviews 15; 7). In addition, the more radical intentions of the EU environmental actors were again thwarted in the negotiation surrounding the 1996 Pollution Prevention and Control Directive (96/61/EC) which left the decision on whether to continue to allow the use of mercury in chlorine production after 2007 down to individual Member States. Finally, in an attempt to prevent the crippling costs of replacing mercury plants before the end of their life spans, Euro Chlor initiated a voluntary agreement with its members to phase out mercury use by 2020 and to sell their surplus mercury to the single remaining European mercury mine to replace the production of virgin mercury.

as it did not have to phase out the use of its mercury before 2010. Two more such large scale conference bringing together all the stakeholders were organised by different actors in 2005/6.

The Commission's Mercury Strategy was published at the end of January 2005 along with its Impact Assessment. The external dimension was given a high profile in both. The strategy proposed to ban the export of mercury from the EU by 2011 and store the mercury surpluses. The strategy provided the hasty basis of the EU position in the discussions at the UNEP Governing Council in February 2005 where the EU pushed for global action on mercury. According to one official in DG Environment, the timing of the discussions proved to be an important motivator for the EU Mercury Strategy:

The fact that there was going to be a United Nations Environmental Programme discussion [in February 2005] did lead us to think about that its not just a strategy about what happens within the EU but its a document which describes the EU's position within the international discussions and if we want to say certain things in the international discussions we have to make sure its consistent with what we are doing in the EU (interview 1).

Therefore, while at first the coordination of EU mercury policy only included taking into consideration internal EU environmental and health factors, it is clear that the export ban was the result of a trade off of economic dimension against the external dimension of sustainable development. Specifically, concern for the high and continued use of mercury in developing countries has led to the EU's proposal of an export ban of mercury despite its cost to industry.

As the focus of the policy process shifted from the Commission to the European Parliament and Council, so did the attention of the now numerous and active interested parties. Crucially, there was now also a dedicated umbrellas environmental NGO campaign 'the Zero Mercury Campaign' run by EEB. This campaign had been initiated in part by US NGOs during the end of 2004 in an act which could be interpreted as network management. During the parallel UNEP discussions on the global mercury problem as well as the European Commission's consultation, the US NGOs had realised that EU environmental NGOs were not as active on this issue as in the US, mainly due to a lack of funds (interviews 12; 15; 10). Seeing a more fruitful opportunity to change global mercury policy than back home, the US NGOs helped the EEB find funding to launch a dedicated mercury campaign with a truly global network of environmental NGOs in November 2004 (Zero Mercury Campaign no date). This dedicated level of funding for a single issue (which in itself was quite unusual for usually cash strapped environmental NGOs) enabled these actors to keep up a relentless campaign throughout the policy review. In particular, it enabled environmental NGOs from developing countries to have a strong voice in the EU negotiations.

Therefore, in the run-up to the Environmental Council meeting in June 2005 this campaign issued numerous press releases and open letters to the EU environment ministers. They also worked closely with the rapporteur of the environmental committee (EEB *et al* 2005a; interviews 10; 11; 15). Several Member States in the Council pushed for an export ban by 2008 but this was seen as too soon to be possible and in the end the council welcomed the strategy in June 2005. The parliament also

looked for an earlier date for the export ban to commence and eventually in March 2006 the parliament voted to support the strategy but for the date of the export ban to be moved forward to 2010.

However, much to the frustration of the NGOs the legislative proposal took some time to be adopted by the Commission (EEB *et al* 2006b; EEB *et al* 2006c). This was the result of heated debate on the inter-service steering group between DG Environment and DG Enterprise over the effectiveness of the ban on the global price of mercury and use of mercury (interviews 2; 3). However, agreement was eventually reached because it was obvious that the impact on industry would be negligible as the costs to industry were small (interview 3). Therefore in the face of limited resistance from its main constituency (Euro Chlor) DG enterprise thought they could live with then ban if linked to international action.

At the same time as these internal discussions, the Commission had invited Euro Chlor to develop a voluntary agreement to safely store surplus mercury (COM (2005) 20). Euro Chlor claim that they have been investigating options since the late 1990s as part of their efforts to be 'responsible partners', including storing mercury in a liquid form in underground salt mines in Germany (interview 14; Euro Chlor 2004). Euro Chlor had regular meetings with DG Environment on their storage plans and, according to one official in DG Environment, they decided to propose a regulation enforcing the storage of mercury but not specifying where this should take place. It would therefore be up to industry and authorities in concerned Member States where and how this would take place (interview 2). Euro Chlor's preferred salt mine options looked more likely than Sweden's preferred deep burial. Thus the chemicals industry had not completely lost control of the policy area and have been successful in emphasizing that the economic dimension was still considered important enough to trade against some, albeit a lesser amount, of environmental quality concerns (both internal and external).

Consequently, the proposed legislation to ban mercury export by 2011 was adopted by the Commission on 26 October 2006 (COM (2006) 636) in time to be presented as the centre piece for an international conference on mercury policy organized by DG Environment. In a press release on the 26 October, the Environment Commissioner claimed that "in banning exports of mercury and requiring its safe storage, the EU will be setting an example for global action to reduce emissions" (CEC 2006d, 1). This interplay between EU and international action on mercury policy was intended to boast the EU's credibility in the 2007 UNEP Governing Council negotiations in February 2007. The NGOs welcomed the Commission proposal but were disappointed that the ban would not include mercury compounds (Euractiv 2006f). Euro Chlor felt that "as long as the date is not changed and the salt mine option is not changed then we can live with it" (interview 14). After all to Euro Chlor "the most important thing is that there is no phase out before 2020" (*ibid*). Thus the chemical industry had been able to keep control of the phase out date of mercury technology from their plants which, in comparison to the low cost of storing their mercury surplus, would have been a much more severe trade off to make. In general however, the environmental NGOs have had a significant amount of success in steering policy decisions and ensuring tighter legislation on the use and sale of mercury including protecting countries outside the EU.

Sugar- Case Study

Ex-Dimension - The European sugar beet industry was protected through the EU's Common Agricultural Policy since 1968. This costly regime of price arrangements, quotas, import tariffs and export refunds mainly benefited EU farmers and sugar refiners but many of Europe's ex-colonies in Africa, the Caribbean and Pacific (ACPS) also benefited by preferential access to the EU's market. At the same time, development NGOs had long claimed that the EU's Common Agricultural Policy, and specifically the sugar regime, was unfair and destroying the livelihood of farmers in developing countries. In particular, the regime denied a market to exports from developing countries as well as lowered the world market price for sugar by subsidising sugar exports from the EU.

Since the Second World War the agricultural sector has dominated agricultural policy in Europe (Daugbjerg 1999). This sector originally formed into a tight policy network when food shortages during and after the war forced governments to incorporate farmers into the decision making process and increase food production by promising them high prices (Smith 1993). The agricultural network consisted of DG Agriculture (then DG VI), the Agriculture Ministers of Member States in the Agriculture and Fisheries Council, and in the case of sugar, the European sugar beet growers' association, and the European sugar manufacturer association. Production/ protectionist thinking (especially from France) dominated the conception and development of the Common Agricultural Policy in the late 1950s and early 1960s, which privileged agricultural interests (Daugbjerg 1997). Even when the circumstances which established the strength of the agricultural industry had long since disappeared (i.e. over production began in the early 1980s (Rickard 2000)), the *status quo* was maintained for over three decades (and through several major rounds of Common Agricultural Policy Reforms³) by the closed nature of the network (Daugbjerg 1999; Smith 1993). However, by the beginning of the millennium various internal and external developments began to force change onto the agenda.

First, on 28 February 2001 the Everything But Arms agreement was adopted by the EU which would give duty free access to all products (except arms) imported into the EU from around 50 LDCs (CEC 2006d). This initiative was strongly supported by the then Trade Commissioner Pascal Lamy in the face of fierce opposition from DG Agriculture and the rest of the agriculture network (interviews 18; 31; 30). Although they managed to delay the start date for sugar imports to 2009, the sugar industry in particular feared that this would mark the beginning of the end of the EU sugar production as the EU market became flooded with cheap cane sugar. Second, on 14 November 2001 the Doha round of WTO negotiations was launched on a declaration of placing the needs and interests of developing countries at the heart of the programme (WTO 2006). The negotiations on agriculture aimed at "substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support" (WTO 2006, 1). Third, on 27 September 2003 a formal charge was brought against the EU at the WTO by Brazil, Thailand, and Australia. The charge was that the

³ 1992 MacSharry reforms; 1998 Agenda 2000 reforms.

'cross-subsidies' exports of non-quota sugar (C sugar⁴), indirectly subsidised exports of quota sugar (A and B sugar) and directly subsidised exports of a further amount equivalent to ACP imports.

On 26 June 2003 the Council agreed another major round of reform for the Common Agricultural policy which aimed to "strengthen the EU's negotiating hand in the ongoing WTO trade talks" (CEC 2003b, 1). DG Agriculture presented this reform as attempting to "completely change the way the EU supports its farm sector" by replacing direct payments with indirect decoupled payments not linked to production but tied to environmental and other types of standards. The reform started mainly with the milk, rice, cereals, durum wheat sectors leaving the other unreformed sectors such as sugar, looking increasingly like relics of the old Common Agricultural Policy (CEC 2003b; (COM (2003) 554); Adenäuer and Witzke 2004). Therefore, although the sugar sector network had remained closed and cohesive and managed to keep outside actors out, it had lost control of the agenda and was unable to stop the Sugar Regime at last coming under serious review. This was now a real opportunity for actors outside the EU sugar sector to attempt to force their way into the network and have their dimension of SD considered alongside the traditional economic one which had dominated for so long.

On 19 June 2001, when the Council renewed the regulation on the Common Market Organisation for the sugar sector for the next five years, it also mandated the Commission to present a report in 2003 on the operation of the regime with, if necessary, proposals for its revision (SEC (2003) 1022). In the Spring of 2003 DG Agriculture put together an Inter-service Steering Group for the Impact Assessment which would accompany the policy proposal. This consisted of 13 other DGs and services within the Commission including DG Environment, DG Trade and DG Development. Therefore this group included actors which represented other dimensions of sustainable development than the traditional economic ones of the agriculture sector. Four policy options were put forward for consideration: '*status quo*'; 'fixed quotas'; 'price fall' and 'liberalisation'.⁵

In contrast to the large consultation conference that was held by DG Environment in the mercury policy review, DG Agriculture organised bilateral consultations with various stakeholder groups. Although this included developing countries and consumer organisation this approach did not allow the groups from different perspectives to meet and discuss their positions and exchange information. In addition, the individual responses of the actors were not published in the eventual Impact Assessment (SEC (2003) 1022). Also, although consideration of the external dimension was included in this consultation through the hearings for ACPs and also

⁴. "A" quota sugar receives full price support through the intervention price and a "B" quota receives substantially lower price support. Any quantities sold beyond the combined A and B quotas and called "C" sugar have to be exported at international prices without refund.

⁵ The four reform scenarios were '*Status quo*': the present regime would be extended beyond 2006 with only the necessary reduction of quotas, tariffs and prices to comply with present and future international commitments. 'Fixed quotas': fixed, but greatly reduced, quotas would be allocated to EU and African, Caribbean and Pacific producers. 'Falling prices': production quotas would be phased out and the EU internal price would be allowed to adjust itself to the price of the non-preferential imports. 'Liberalisation': EU price support system would be abolished and production quotas and trade tariffs would be abandoned.

NGOs, the feeling of one official from DG Development was that “the weight of the hearings was heavily towards the [EU] farmers’ storey and I didn’t really feel that international trade issues featured as much or as strongly as they should have done” (interview 18). In fact, both the NGOs and ACPs were poorly organised at this early stage (interviews 16; 18; 19). Oxfam had yet to start their campaign on the issue and was only represented by Oxfam Belgium without an agreed international position (interviews 19; 17).⁶ On the other hand, the EU sugar sector was in regular and close contact with DG Agriculture (interviews 16; 17; 30). The manufacturers’ association had even commissioned another external study on the sugar regime (with the same terms of reference as study commissioned by the Commission) which they presented to the Commission during the making of the IA and became the preferred study by the Inter-Service Steering Group (interviews 16; 18).

Inside the Inter-Service Steering Group a similar lack of weighting was given to the external dimension. DG Trade and DG Development worked together to push for the better consideration of the impacts on developing countries especially ACPs alongside the policy reforms (interviews 18; 31). However, in the end their concerns lead not to the inclusion of developing country perspectives in the review process but to a parallel process for considering the impacts of the reform on ACP countries. Therefore while DG Agriculture continued to pursue its policy reform mostly with the input from its traditional agricultural sector actors (which spoke the same technical language), the development stakeholders had very little influence on this main reform. Instead they were only able to influence the accompanying proposals of DG Development and DG Trade in a separate network i.e. no inter-sector network was able to form.

Therefore when the Commission published its policy options paper for the reform of the sugar regime (COM (2003) 554) the accompanying IA (SEC (2003) 1022) did not adequately consider the external dimension. While the proposals, which presented the ‘price cuts’ option as the only tenable one, were greeted with indignation from the EU sugar industry (notably their preferred fixed quotas option had been dropped), the sector was able over the following two years of negotiations in the Commission, Parliament and Council to negotiate a generous package of cushioning measures. In contrast the ACP countries who were equally outraged at the proposals were unable to negotiate more than a tiny package of accompanying measures.

When the final reform proposal was published by the Commission on 22 June 2005 (COM (2005) 263) along with a new IA (SEC (2005) 808), the Commission presented the proposal as having “taken into account” the views of several groups of stakeholders as well as the WTO panel ruling (SEC (2005) 808, 3). However, it appears that the proposal was more about fitting flanking measures to keep the EU sugar sector happy while complying with the WTO ruling against the EU early that year. Therefore, while the involvement in the policy area of new actors may have led to new dimensions of sustainable development receiving a higher profile and has certainly opened up the debate to the eyes of the media and public, it is questionable whether this led to other dimensions of sustainable development being traded off against economic ones in policy decisions. After last minute nail biting negotiations in the Council it was agreed to: decrease the price cut from 39 to 36% over four years

⁶ In fact, Oxfam Belgium took a different position to that eventually agreed by Oxfam International.

instead of three; to also increase the compensation for the beet farmers from 60 to 64% of the price cut; and for the intervention price mechanism to be maintained for the four years of the reform period i.e. until 2010; as well as for a restructuring scheme for manufacturers to last for four years. The regulations were formally adopted on the 21 February 2006 and entered into force on 1 July 2006 (Council of the European Union 2006b).

In contrast the accompanying measures agreed by the Development council amounted only to €40 million for the measures in 2006 which according to Oxfam, was a “scandalous betrayal of poor countries” (Oxfam 2005b, 1). They argued that the €40 million aid package was “meagre” and contrasted it with the €7 billion offered to European industry and producers. They claimed that the “Commission has hurled money at its Member States to convince them to sign up but has abandoned some of the world’s poorest countries to destitution” (*ibid*). In a press release from the ACPs declared that “it seems that the Commission has got its way by throwing extra billions in compensation at European farmers and industry. The ACPs are left with a draconian price cut and a paltry €40 million in assistance to share among us. We are by far the biggest losers in this reform,” (ACP Sugar Group 2005f). Thus despite the actions of these new actors, economic considerations remained dominant and were not traded off in any significant way with the external dimension (or environmental and social ones).

Theoretical Reflections

Inter-sector Networks

It is apparent that while networks were present in the two policy areas, only the mercury case study exhibited an inter-sector network, in this case linking actors from the chemicals, environment, international development and public health sectors. This case study has showed that the mercury policy area was at first controlled by a closed sector network consisting of the EU chemicals industry, DG Industry (now Enterprise), and the industry ministers from Member States with large chemical industries. However, over a period of three decades, a number of influential environmental actors, such as green Member States, DG Environment and the environmental NGOs, opened up this network to critical scrutiny. These new actors had differing perceptions of ‘the mercury problem’ but could be considered part of the sector network because they met regularly at EU and international conferences, shared information (i.e. resources) with each other as well as with EU institutions. In addition, it is important to note that environmental actors were so central to this policy network that chemicals policy became a joint responsibility between DG Enterprise *and* DG Environment.

In contrast, although all the relevant actors were eventually present within the sugar policy area, they did not become linked as part of an inter-sector network. This case study showed that this policy area was initiated by a closed sector network consisting of the EU sugar farmers and processors, DG Agriculture as well as the agriculture ministers from the Member States. Over the next three decades, this closed and cohesive network excluded new actors from other sectors, such as environment and consumer affairs sectors. Therefore, the policy debate remained focused on technical issues and took place mainly within DG *Agriculture* and the *Agriculture* Council.

However, during the reform negotiations since 2003, actors outside of the EU sugar sector had a much higher profile in the policy area, especially those representing the external dimension. The increased level of consultation now required of DG Agriculture, as well as the fervent lobbying activities of the new actors, had secured their place as 'legitimate stakeholders' in the policy area for the first time. However, unlike the mercury policy area, there was little evidence that these actors were able to penetrate the policy network and influence policy decisions. Instead, there was a sector network of the EU sugar industry with numerous other international development and environment actors vocally, but unsuccessfully, campaigning in a parallel, and less powerful, development sector network.

To some extent, the new inter-sector network in the mercury policy area (chemicals sector, environment, and development) was self-steering in that it was not managed by any one organisation such as DG Environment. Instead, a number of management activities were undertaken on an *ad hoc* basis by a range of different actors in the network (and some outside the EU network) which facilitated the formation and steering of this network (i.e. self-steering). First, network structuring occasionally occurred to open up representation. For instance, the US NGOs identified a lack of EU NGOs working in this policy area and initiated the formation of the 'Zero Mercury Campaign'. Also, DG Environment claimed that on at least one occasion, it sought out actors to attend stakeholder workshops. Second, attempts at game management occurred which facilitated the increased interaction of the different actors. For instance, DG Environment, the Nordic Council and the 'Zero Mercury Campaign' organised several large conferences which brought together relevant actors to the coordination discussions.

By contrast, an inter-sector network did not self-steer (or even self-form) in the sugar policy area. Although the relevant actors were present, they did not spontaneously self-form into an inter-sector network to coordinate the different dimensions of sustainable development. Instead, actors representing the external, social (consumers) and environmental dimensions of sustainable development were left campaigning and lobbying at the margins of the main sectoral network. In general, actors representing developing countries, perceived DG Agriculture to be unresponsive to their pleas. While the DG Agriculture and the Agriculture Council did not always make policy decisions which pleased the EU sugar sector, they did in the end meet many of the sector's demands to cushion it from the most economically disruptive affects of the reforms. Indeed, DG Agriculture maintained technical discussions with the EU sugar sector throughout the reform, where as they admitted to communication difficulties with external actors such as Oxfam. Instead, the developing countries were forced to forge alliances with less powerful allies who were also outside the network, such as DG Development and the Development Committee of the European Parliament. Therefore, the external dimension, while not entirely ignored, was considered elsewhere (in effect in an international development sectoral network) excluded from the main reform process and the sugar sector network. Since the development network (specifically DG Development) is not traditionally as strong as the agricultural one within the EU, there was little coordination of this dimension of the policy issue.

So can this pattern of self-steering inter-sector networks account for the coordination observed in each of the policy areas? Mercury is the policy area that has apparently successfully coordinated the external dimension of sustainable development into its

policy decisions (as well as the other dimensions of sustainable development examined). Thus the traditionally dominant economic dimension was traded-off over time against the increasing consideration of the other dimensions of sustainable development. It is also, as discussed above, the only policy area to have a self-steering inter-sector network. By contrast, the sugar policy area appeared to have less successfully coordinated the external dimension of sustainable development into policy decisions (as well as the other three dimensions of sustainable development examined). It appeared, as discussed above, that a sector network rather than inter-sector network self-formed and self-steered. This network excluded 'outsiders' and coordination between the different sectors was limited. Thus, little trade-off of the dominant economic dimension of sustainable development occurred.

Therefore the case studies in this research appear to support (but not prove) the theoretical framework of inter-sector networks set out above i.e. that inter-sector networks are needed to tackle cross-cutting coordination problems and that these are not necessarily self-steering. However, a direct causal relationship between network type and coordination outcome, as sought by some network theorists is less clear. Indeed the apparent inability of policy networks to explain policy change has been one of the primary criticisms against the concept of policy networks (Dowding 1995; Dowding 2001).

When do Networks Self-steer?

A case study approach allows the different context of the policy networks to be examined and therefore some ideas of why such networks developed into more effective inter-sector networks (e.g. mercury) than in others (e.g. sugar) i.e. of when networks would most likely lead to effective network governance. Mayntz (2003) points out that, while we do find policy networks in developed democratic nation-states, reality only approximates this ideal. Different societal interests are unequally represented, interest groups often lack the necessary minimum resources and public authorities are too weak to discipline powerful interest groups (*ibid*). Therefore, the context in which policy networks are situated and the nature of the actors involved may affect the type and functioning of networks found and, in particular, the likelihood that they will self-steer. This could have important implications for network management, because it may be possible to highlight situations in which management is required.

First, the nature of the policy issue to be coordinated can have important implications on the likelihood of an inter-sector network self-steering. Some policy areas are just too controversial (i.e. they do not contain win-win solutions but high cost trade-offs) for the various actors from different sectors to exhibit the characteristics commonly ascribed to networks, such as common values, loyalty and trust. As argued above, these characteristics bind the actors in a network together (i.e. encourage them to self-steer) and allow them more effectively to coordinate. In certain cross-cutting policy issues there is still some point of agreement which can allow the actors to exhibit these characteristics to some degree. For instance, in the mercury policy area, although industry and environmental actors disagreed on the level of safe mercury use in chlorine production, neither disputed the fact that it was a highly toxic material which should be minimized in the environment. Indeed, both groups of actors favoured the phasing out of mercury use and only the timing of this was debated. In

contrast, the EU sugar sector saw itself in direct competition with its counterparts in developing countries and there appeared to be a fundamental incompatibility between the idealistic and political argument of the development NGOs and the specialised and technical discussions of the EU sugar sector. Indeed, the aspirations, language and values of the different groups of actors appeared to be so opposing that it is hard to see how the different actors would ever be able to (self-)form into an effective self-steering inter-sector network.

Second, a number of practical factors could influence the likelihood that inter-sector networks self-steer. Networks take time and resources to develop, especially those that span international borders (Milward and Provan 2003; Kellow and Zito 2002). NGOs often complain that they lack the resources to participate on equal terms with industry lobbyists (Lightfoot and Burchell 2004). Without the dedicated and significant funding of the Zero Mercury Campaign, it is doubtful if NGOs in the EU would have been able to maintain such an influential place in the policy network. By contrast, Oxfam and environmental NGOs complained that they were under resourced and found it difficult to compete with the sector-specific agricultural bodies in the sugar policy area.

It is clear that the circumstances of the policy area dictated whether a network could self-steer and self-form. The presence of network-based coordination mechanisms was not enough for networks to form. Of the two policy areas examined, it has been revealed that only the IAs from the mercury policy area adequately considered the external dimension to sustainable development and so could have contributed to the coordination of this aspect. However, it appears that rather than self-forming around the mechanism, an inter-sector network was already in place, i.e. this coordination was already taking place. In this circumstance, IA provided a handy platform for information exchange to take place. But it was by no means the only one, as many conferences were taking place and other substantial information documents from a variety of actors were being produced. By contrast, the sugar policy case study revealed that an inter-sector network was not already in place but the IA process was not a sufficient condition for such inter-sector networks to self-form around the mechanism. Instead, a sectoral view of the policy problem was presented in the IAs by the dominant sector network in the policy area.

Conclusions

Implications for EU Governance

As discussed above the EU is turning in particular to new modes of governance and specifically those relying on networks to perform increasingly more complex coordination tasks. However, this paper confirms the findings of a recent study by Damgaard (2006) that the presence of networks does not necessarily lead to governing or coordination. In particular it has also confirmed the findings of Jordan and Schout (2006) that networks are not always self-steering and in stead may need some kind of network management if they are to perform coordination roles. In addition, this study has empirically demonstrated that the presence of network-based coordination mechanisms is not enough for effective self-steering inter-sector networks to form. An inter-sector network must already be in place if these are to function effectively without network management. This has important implications for governance in the EU

and especially the EU's pursuit of sustainable development which heavily relies on network-based coordination mechanisms.

Network management can be seen as an exercise in 'metagovernance' (Jessop 1998). However, intervention in networks is often overlooked in the debate on (new modes of) governance which shows that this debate has not yet fully engaged with the problem of how to achieve greater coordination. This is despite the fact that governance is, by definition, intimately concerned, with the question of coordination. By way of network structuring, a central coordinator would need to identify gaps in the actors active in the area and then locate *and* support weak or missing actors. By way of game management activities, a central coordinator would need to initiate forums for the actors in different sectors to interact e.g. workshops and conferences but also in committees and standing groups.

Network management in an EU context there remains a serious question over who should perform the role of central coordinator. Jordan and Schout (2006, 275) point out that the EU is not a government (in the sense used in many existing studies of network management) but a system of multilevel *governance*. The prevailing literature does not resolve the vexed issue of who should manage networks in such a system. At the national level, central government is the most obvious network manager (Kickert *et al* 1997b). As well as being the most obvious choice, it enjoys political legitimacy and is the guardian of certain democratic values. At the EU level, the most obvious candidate is the Commission. It has formal policy initiating role, good access to information (it is the focal point of many networks) and a broader responsibility to ensure that EU policy is designed and carried out effectively (Jordan and Schout 2006, 275).

Giving the Commission management tasks, however, especially over Member States rather than interest groups, would be seriously inconsistent with the dominant *realpolitik* in the EU today. It would be difficult for example for the Commission to 'name and shame' those that fail as well as 'fame' those that succeed, as argued by the High Level Group (Kok) report on the Lisbon process (High Level Group 2004, 17), when 'those' in question are Member States. Second the Commission is already seriously overworked and under resourced hence the appeal of new modes of governing which appear to provide the EU with an opportunity to do 'more with the same' (Jordan and Schout 2006, 276). This paper provides empirical evidence which appears to contradict this theoretical assumption as network-based coordination mechanisms rely on the effective functioning of inter-sector networks, which in turn need to be properly managed. Third, the Commission is fragmented and hence not in an ideal position to manage cross-sector networks. After all clientele policy making is attractive to not only to 'insider' stakeholders but also DGs within the Commission as well. This was illustrated in the sugar policy area when DG Agriculture actively maintained its close and privileged relationship with its traditional sugar sector stakeholders despite the arrival of new 'outside' actors in the policy area.

Despite these reservations, the Commission remains the most obvious actor to fulfil this role, given the absence of any other obvious candidates. Neither the European Parliament nor the Council engage in the policy formation stage when the vital information and consultation stages of coordination are vital if the higher levels of coordination carried out in the Parliament and Council are to function effectively.

However, what is more certain is that whoever performs this role, will need to have the political support to engage in what are often very complex and sensitive tasks.

Going Beyond Networks?

Although network-based policy coordination mechanisms are in vogue in the EU, it does not mean that they are the only answer to all of the EU's coordination problems, least of all the highly complex issue of sustainable development. Having witnessed the difficulties of using networks to tackle coordination challenges, EU decision makers may have decided to revisit some of the more hierarchical and market-based mechanisms (Jordan and Schout 2006, 280). There is certainly evidence that environmental stakeholders outside the EU institutions are beginning to consider whether more hierarchical strategies are needed to pursue sustainable development, particularly in the delivery of EPI (Wilkinson 2007). For example, the opening out of formerly environmental decision to a wider network of actors in the Thematic Strategies has been considered by these stakeholders to have contributed, not to the much sought 'shared responsibility', but to the reduction in their level of ambition in terms of environmental coordination (*ibid*). More generally, there have been a large number of papers exploring the use of New Environmental Policy Instruments which question the success of employing new modes of governance (i.e. network and market-based instruments) (Jordan et al 2003b; 2003c; 2005; Rittberger and Richardson 2003).

However, rather than moving away from network and market-based mechanisms altogether, it may be that it is "the mix that matters" (Rhodes 1997b, 40). The distinction between the three typologies of coordination strategies presented in this thesis is not always so clearly defined in reality. The combination of networks with more hierarchical approaches may function more effectively than a sole reliance on self-steering networks. After all, network management is a type of hierarchy. Also, there needs to be more flexibility and imagination in the way that hierarchical mechanisms are employed. For instance, Wilkinson (2007) suggests looking towards using the European Parliament's control of the EU's budgetary programmes as a possible alternative approach to *impose* environmental conditions, not only on EU spending programmes but also on more strategic EU policy processes.

Therefore, the EU should probably be more sceptical about the coordinating capacity of networks in its pursuit of sustainable development, and in particular the external dimension of this, as well as more broadly in its general governance approach. In particular, decision makers should be more flexible in the way they employ network-based coordination mechanisms than is currently the case. Despite the prevailing interest in networks, alternative strategies are available (i.e. markets and hierarchy) and there is a vast array of ways to combine them. It may also be useful to consider alternative typologies of coordination strategies on offer in which to identify new approaches and new combinations of approaches.

Finally, decision makers must be more careful to select the right kind of coordinating mechanisms for the particular type of coordination problem they wish to tackle. It may be that there are some types of policy problem that are simply too cross-cutting and involve too many actors with diverse perspectives and values for an inter-sector to form, no matter how much network management is employed. In these

circumstances, the use of network-based approaches will not be viable. Indeed, this thesis suggests that the EU should be more cautious about rushing into the use of new governance approaches, such as network-based coordination mechanisms, without further research to reduce the ambiguities surround their use and the limits to their use (see below). It appears that the EU has reacted to challenges to its legitimacy without carefully considering its approach and ensuring that it has enough coordination capacity to implement its high profile ambitious coordination commitments, such as sustainable development and more specifically the external dimension of its sustainability.

Bibliography

- ACP Sugar Group 2005a; ACP Sugar Group (2005a) A Brief History [http://www.African.Caribbean and Pacific countries.sugar.org/History.html](http://www.African.Caribbean.and.Pacific.countries.sugar.org/History.html) Accessed 21/07/06: ACP Sugar Group.
- ACP Sugar Group (2005f) ACP Sugar Group Biggest Losers of EU Sugar Reform. Press Release 24/11/05. <http://www.acpsugar.org/docs/ACP%20press%20release%20-%20241105.pdf> Accessed 10/09/07: ACP Sugar Group.
- Adenäuer, M., and H. Witzke (2004) Impact of the "Everything but Arms" Initiative on the EU Sugar Sub-sector. Paper presented at the International Conference on Policy Modelling (EcoMod2004) Paris, 30 June – 2 July, 2004.
- Bio-probe News. (2003) Nordic Environment Ministers Send 'Mercury Letter' Press Release 05/09/03. <http://www.bioprobe.com/ReadNews.asp?article=71> Accessed 03/04/06: Bio-probe.
- Borzel, T. (1998) Organising Babylon – on the Different Conceptions of Policy Networks. *Public Administration*. 76: 253-273.
- CEC (2003b) CAP Reform - a Long-Term Perspective for Sustainable Agriculture. http://ec.europa.eu/agriculture/capreform/index_en.htm Accessed 07/03/07: CEC.
- CEC (2003c) Commission Opens Discussion to Reform the EU Sugar Regime. Press Release. 23/09/03. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/03/1286&format=HTML&aged=0&language=EN&guiLanguage=en> Accessed: 10/09/07: CEC.
- CEC (2005h) The European Sugar Sector: its Importance and its Future. Brussels. CEC.
- CEC (2006d) Environment: Commission Proposes Ban on EU Mercury Exports. Press Release. 26/10/06. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1481> Accessed 10/09/07: CEC.
- Coleman, W.D., A. Perl (1999) Internationalized Policy Environments and Policy Networks Analysis. *Political studies*. XLVII: 691-709.
- Court of Auditors (2000) Special Report No 20/00 on the Management of the Common Market Organisation for Sugar. Luxembourg. European Court of Auditors.
- Council of the European Union (2006b) Main Results of the Agriculture and Fisheries Council. Press Release 20 February. http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/agricult/88457.pdf Accessed 10/09/07: Council of the European Union.

- Damgaard, B. (2006) Do Policy Networks Lead to Network Governing? *Public Administration*. 84 (3): 673-691.
- Daugbjerg, C. (1997) Policy Networks and Agricultural Policy Reforms: Explaining Deregulation in Sweden and Re-regulation in the European Community. *Governance*. 10 (2): 123-142.
- Daugbjerg, C. (1999) Reforming the CAP: Policy Networks and Broader Institutional Structures. *Journal of Common Market Studies*. 37 (3): 407-28.
- Dowding, K. (1995) Model or Metaphor? A Critical Review of the Policy Network Approach. *Political Studies*. XLIII: 136-158.
- Dowding, K. (2001) There Must be an End to Confusion: Policy Networks, Intellectual Fatigue, and the Need for Political Science Methods Courses in British Universities. *Political Studies*. 49: 89-105.
- Duncan, S. (1981) Chemical Industry in its Historical Context. In D.H. Sharp, and T.F. West (Eds.) *The Chemical Industry*. 40-61. Chichester. Ellis Horwood Limited.
- Euro Chlor (2003) Industry Position on Mercury Management. Press Release 27/02/03. <http://www.eurochlor.org/news/detail/index.asp?id=85> Accessed 10/09/07: Euro Chlor.
- Euro Chlor (2004) Euro Chlor's Contribution to the European Commission's Consultation Document on the Development of an EU Mercury Strategy. Report submitted to the European Commission.
- Euractiv (2003a) How Can the Chlorine Industry be Environmentally Responsible? Press Release. 27/02/03, <http://www.euractiv.com/en/sustainability/chlorine-industry-environmentally-responsible/article-116071> Accessed 10/09/07: Euractiv.
- Euractiv (2006f) Commission Proposes to Ban Mercury Exports by 2011. News Item published 26/10/06. <http://www.euactiv.com/en/environment/commission-proposes-to-ban-mercury-exports-by-2011/> Accessed 12/12/06: Euractiv.
- European Council (2006a) Review of the EU Sustainable Development Strategy (EU SDS): Renewed Strategy. Brussels. European Council. Brussels.
- EEB et al. (2006b) Mercury Export Ban and Storage of Surplus Mercury Letter Sent to Commissioners 08/09/06. Brussels. Zero Mercury Campaign.
- EEB, Ban HgWg, EEN, Health Care Without Harm (2006c) Mercury Rising: EU Must Press on with Urgent Mercury Export Ban. Press Release 08/09/06 http://www.zeromercury.org/press/060908Mercury_Expors_20Ban_PR.pdf Accessed 10/09/07: Zero Mercury Campaign.
- Grant, W., W. Paterson, and C. Whitston (1988) *Government and the Chemical Industry: a Comparative Study of Britain and West Germany*. Oxford. Clarendon Press.
- Greenpeace and EEB (2003) Green Groups Call on Europe Commission to Stop Toxic Trade in Mercury. Press Release 29/03/03.
- Grunewald, H. (1981) European Chemical Industry in the Eighties. pp89-98. In D.H. Sharp, and T.F. West (Eds.) *The Chemical Industry*. Chichester. Ellis Horwood Limited.
- High Level Group (Chaired by Wim Kok) (2004) Facing the Challenges: The Lisbon Strategy for Growth and Employment. November 2004. Luxembourg. Office for Official Publications of the European Communities.
- Howarth, R. (2000) The CAP: History and attempts at reform. *Economic Affairs* June 2000.

- Institute for European Environmental Policy (2006a) *Manual of Environmental Policy: The EU and Britain*. London. Institute of European Environmental Policy.
- Jessop, B. (1998) *The Rise of Governance and the Risks of Failure: the Case of Economic Development*. Oxford. Blackwell.
- Johansson, R., and K. Borell (1999) Central Steering and Local Networks: Old Age Acre in Sweden. *Public Administration*. 77 (3): 585-598.
- Jordan, A., R. Wurzel, and A. Zito (2003a) Has Governance Eclipsed Government? Patterns of Environmental Instrument Selection and Use in Eight States and the EU. CSERGE Working Paper EDM 03-15.
- Jordan, A., R. K. Wurzel, and A. Zito (eds) (2003b) *New Instruments of Environmental Governance? National Experience and Prospects*. London. Frank Cass .
- Jordan, A., R.K. Wurzel, A. Zito and L. Brückner (2003c) 'European Governance and the Transfer of New Policy Instruments (NEPIs) in the European Union', *Public Administration*. 81 (3): 555-574.
- Jordan, A., R.K. Wurzel, and A. Zito (2005) 'The Rise of 'New' Policy Instruments in Comparative Perspective: Has Governance Eclipsed Government?' *Political Studies*. 53: 477-496.
- Jordan, A., and A. Schout (2006) *The Coordination of the European Union: Exploring the Capacities for Networked Governance*. Oxford. Oxford University Press.
- Kellow, A. And Zito, A.R. (2002) Steering Through Complexity: EU Environmental Regulation in the International Context. *Political Studies*. 50: 43-60.
- Kenis, P., and V. Schneider (1991) Policy Networks and Policy Analysis: Scrutinizing a New Analytical Toolbox. In B. Marin, and R. Mayntz (Eds.), *Policy Network: Empirical Evidence and Theoretical Considerations*. 25-59. Frankfurt aM. Campus Verlag.
- Kickert, W.J.M., E.H. Klijn, and J.F.M. Koppenjan (1997a) Introduction: a Management Perspective on Policy Networks. In W. J. M. Kickert, E-H. Klijn, and J. F.M. Koppenjan (Eds.), *Managing Complex Networks: Strategies for the Public Sector*. 1-13. London. Sage.
- Kickert, W.J.M., E.H. Klijn, E.H. and J. Koppenjan (1997b) Managing Networks in the Public Sector: Findings and Reflections' In W. J. M. Kickert, E-H. Klijn, and J. F.M. Koppenjan (Eds.), *Managing Complex Networks: Strategies for the Public Sector*. 166-191. London. Sage.
- Kjaer, A. M. (2004) *Governance*. Cambridge. Polity Press.
- Klijn, E.H., and J.F.M. Koppenjan (2000) Public Management and Policy Networks. *Public Management*. 2 (2): 135-158.
- Klijn, E., J. Koppenjan, K. Termeer (2001) Managing Networks in the Public Sector: a Theoretical Study of Management Strategies in the Policy Networks. *Public Administration*: 73: 437-454.
- Kooimann, J. (2003) *Governing as Governance*. London. Sage.
- Lenschow, A. (2002b) New Regulatory Approaches in 'Greening' EU Policies. *European Law Journal*. 8: 19-37.
- Lightfoot, S., and J. Burchell (2004) Green Hope or Greenwash? The Actions of the European Union at the World Summit on Sustainable Development. *Global Environmental Change*. 14: 337-344.

- Marsh, D., and R.A.W. Rhodes (1992) Policy Communities and Issue Networks: Beyond Typology. In D. Marsh, and R.A.W. Rhodes (Eds.) *Policy Networks in British Government*. 249-268. Oxford. Oxford University Press.
- Metcalf, L. (2000) Reforming the Commission: Will Organizational Efficiency Produce Effective Governance? *Journal of Common Market Studies*. 38: 817-841.
- Milward, H. B. and K.G. Provan (2003) Managing Networks Effectively. Paper presented at the National Public Management Research conference, Georgetown University, Washington DC, October 9-11, 2003.
- Ministry of Environment Sweden. (2004) Letter Sent to the European Commission. Important Issues of the Mercury Strategy. 17 February 2004. Stockholm. Swedish Ministry of Environment.
- Ostrom, E.R. (1990) *Governing the Commons*. Cambridge. Cambridge University Press.
- Oxfam (2005b) EU Sugar Deal 'Scandalous Betrayal' of Poor Countries. Press Release. 24/11/05. Oxfam.
- Peters, B.G. (1998a) Managing Horizontal Government: The Politics of Co-ordination. *Public Administration*. 76: 295-311.
- Peterson, J., and E. Bomberg (1999) *Decision-Making in the European Union*. Basingstoke. Palgrave Macmillan.
- Peterson, J. (2004) Policy Networks. In A. Wiener, and T. Diez (Eds.), *European Integration Theory*. 117-135. Oxford. Oxford University Press.
- Richards, D., and M. Smith (2002) *Governance and Public Policy*. Oxford. Oxford University Press.
- Richardson, J. (1996) Policy-making in the EU: Interests, Ideas and Garbage Cans of Primeval Soup. In J. Richardson (Ed.), *European Union: Power and Policy Making*. 3-23. London. Routledge.
- Rickard, S. (2000) The CAP: Whence it Came, Where it Should Go. Economic Affairs June 2000. London. Institute of Economics Affairs.
- Rittberger, B., and J. Richardson (2003) Old Wine in New Bottles? The Commission and the Use of Environmental Policy Instruments. *Public Administration*, 81 (3):575-606.
- Rhodes, R.A.W. (1996) The New Governance: Governing Without Government. *Political Studies*. XLIV: 652-667.
- Rhodes, R.A.W. (1997b) From Marketisation to Diplomacy: it's the Mix that Matters. *Australian Journal of Public Administration*. 56 (2): 40-58.
- Rhodes, R.A.W. (2000a) Governance and Public Administration. In J. Pierre (Ed.) *Debating Governance*. Oxford. Oxford University Press.
- Sbragia, A. (2000) The European Union as Coxswain. In J. Pierre (Ed.) (2000) *Debating Governance*. 219-240. Oxford. Oxford University Press.
- Sbragia, A. (2002) The Dilemma of Governance with Government. Jean Monnet Working Paper 3/02. New York. New York University School of Law.
- Schout, A. And J. Jordan (2005) Coordinated European Governance: Self-Organising or Centrally Steered. *Public Administration*. 83 (1): 201-220.
- Selin, N., and H. Selin (2006) Global Politics of Mercury Pollution: The Need for Multi-Scale Governance. *RECIEL*. 15 (3): 258-269.
- Smith, M.J. (1993) *Pressure, Power and Policy*. Hemel Hempsted. Harvester Wheatsheaf.
- Thompson, G. F. (2003) *Between Hierarchies and Markets: the Logic and Limits of Network forms of Organisation*. Oxford. Oxford University Press.
- Wright, V., and J. Hayward (2000) Governing from the Centre: Policy Co-ordination in Six European Core Executives. In R.A.W. Rhodes (Ed.) *Transforming*

- British Government vol.2. Changing Roles and Relationships.* 27- 48.
Basingstoke. Macmillan Press.
- Wallstrom, M. (2003) Speech Made to the Sustainable Development Inter-Group of the European Parliament. Strasbourg 24 September 2003.
- Wilkinson, D. (2007) Environmental Policy Integration at EU Level. State of the Art Paper written for the EPIGOV Project. London. IEEP.
- WTO (2006) Doha WTO Ministerial 2001: Ministerial Declaration.
http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm
Accessed 20/09/06: World Trade Organisation.
- Zero Mercury Campaign (no date) Developments at the EU Level.
http://www.zeromercury.org/EU_developments/index.htm Accessed 12/06/06:
Zero Mercury Campaign.