

Inger Weibust:

The Green Leviathan

The Case for a Federal Role in
Environmental Policy

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Non est potestas Super Terram quae Comparetur ei Job. 41. 24.



Research Question

Federal Government vs. State Government:

- Does the level of government matter for the level of environmental policy provided?
- Does centralization lead to a higher level of environmental protection?

Three Puzzles

- Effective policies at lower level of government vs. Threat of 'races to the bottom'
- Theoretical vs. Empirical relevance of regulatory races
- Opportunities for interstate cooperation vs. Lack of (effective) use of such instruments

Hypotheses on decentralization and policymaking

H1:

National governments are no better able to make environmental policy than subnational governments.

H2:

Environmental policy-making by lower levels of jurisdiction is more likely to be tailored to local environmental conditions than centrally set policies.

H3:

Lower levels of jurisdiction better reflect voters' preferences.

Arguments for Centralization

Why centralize?

- Transboundary Spill-overs and Externalities
- Environmental Policy as Collective Action Problem

Collective Action Problems and Environmental Policy

- Environmental Quality as a Public Good
- Defection and Regulatory Competition
- Two solutions to the Dilemma
 - The State (Centralisation)
 - Horizontal Cooperation

Cooperative Agreements in Federal Systems

Three conditions in international relations

- Concern
- Contracting Environmental
- Capacity

Cooperation in Federal Systems

- Informational Exchange and Coordination
- Formal Compacts

Hypothesis on Cooperation in Federal Systems

H4:

In the presence of favourable contracting conditions to deter defection, subnational governments will achieve effective cooperation on environmental problems

Case Selection

3 Federal Systems

- United States
- Switzerland
- Canada

and

- European Union

United States

- Decentralized governance until 1970 was not effective
- Situation changed when federal legislation started to set minimal standards (air and water)
- Inter-state contracts, even if enforceable, have not been widely used
- The existing ones did not include sufficient measures to assure compliance, and thus were not effective

Switzerland

- Cantons did not use contracts for transboundary pollution problems
- Informal cooperation led to minimal water standards, but only with the shadow of federal legislative action
- Centralization in environmental policy-making driven by referenda (1953 and 1971), where responsibility has been shifted towards the center.

Canada

- In the international context, Canada's environmental performance is lagging behind
- Provinces and federal government have been unable to agree upon floor standards
- Attempts of cooperative national standard setting (1975) have not been successful.
- Other efforts did not provide measurable goals (non-binding guidelines)

European Union

What can we learn from Brussels?

We find:

- Harmonised and binding environmental regulations
- Broad and stringent environmental policies

Factors

- Preferences
- Strong member states
- Formal Cooperation
- Independent enforcement mechanism
- Possibility of package deals

Results on Hypotheses 1-3

H1:

=> Centralization leads to a higher level of environmental protection

H2:

=> In the absence of minimum standards, a wide range of policies is observed: but even the most ambitious ones are less ambitious than national solutions

H3:

=> In Switzerland the people have repeatedly voted for centralized environmental policy making, and EU polls show support for activity of EU in this field

Results on Hypothesis 4

H4:

=> Subnational cooperation is similar to international cooperation: agreements are limited, vague, hard to enforce

=> Favourable contracting conditions are not a sufficient condition

Why Decentralization fails (to be efficient)

- Representation of preferences
- Administrative capacity
- Information asymmetry between firms and government
- Spread of risk
- Differences in the representation of interests
- Rhetoric of 'Races' and competitive disadvantage

Regulatory Competition

- No empirical evidence for 'races to the bottom'
- Reasons for the rhetoric of 'races to the bottom'
 - Political activism
 - Favourable business climate
 - Anti-environmental ideology
 - Discounting the future

Regulatory Competition

Is the problem not a 'race to the bottom', but a lack of a 'race to the top'?

Why do we see races to the top – at the European or international level?

- Upload / Administrative costs
- Create market for domestic environmental sector
- Reputation concerns

Policy Convergence and Learning

- European Harmonization is not the only factor driving convergence to the top in environmental policy across Europe
- Mutual learning, policy transfer and emulation
 - Success and reputation
 - Historical legacies
- Conditions for an optimal learning environment

Challenges to the Green Leviathan

- Size: Comparison across federal systems ?
- Period: A favourable window of opportunity ?
- Ideology: Party politics and environmental groups ?



Inger Weibust (2009):

*Green Leviathan. The Case for a
Federal Role in Environmental
Policy.*

Farnham: Ashgate Publishing