

Environmental policy implementation during the economic crisis: an analysis of European Member state 'leader-laggard' dynamics.

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Abstract

The long-standing debate on environmental policy 'leaders' and 'laggards' lends itself to a new analysis following with the advent of the 2008 economic crisis. This paper, therefore, asks the question to what extent do European Union (EU) member states have the capacity and willingness to implement EU environmental policy amid austerity, budget cuts, and rising costs over the period 2008-2014. Building upon previous studies, 26 interviews with European, Greek and United Kingdom participants and records of environmental infringements, the paper provides a contemporary picture of the environmental policy 'leader-laggard' dynamic in Europe. The findings demonstrate that the impact of the economic crisis seems contestable and varies amongst member states, while the reduction in environmental infringements appears to have a link with the decrease in economic activity. Although environmental policy 'leaders' maintain patterns of strong implementation, the improved implementation performance of some 'laggards' reflects a shift in their implementation patterns amid a period of intense political and economic controversies.

Key words: Economic crisis; EU environmental policy; leaders and laggards; implementation performance; policy outputs and outcomes

1. Introduction

Since the 2008 economic crisis, the European Union (EU) and its member states have faced pressure to relax environmental requirements and weaken environmental legislation (Gravey and Jordan, 2016; Burns et al., 2018; Knill et al., 2018; Pollex and Lenschow, 2019). As Steinebach and Knill (2017:430) argue 'in the aftermath of the financial and economic crisis, [...] recent years have witnessed increasing political demands for slowing down, halting or even reversing the expansion of EU's regulatory scope'. In some member states, environmental policy has been portrayed as costly thus impeding a fast-economic recovery (ENDS Report, July 2012). Moreover, austerity and resulting budget cuts in some member states (especially in Southern Europe) have raised doubts over their capacity and political will to implement EU environmental policy efficiently (Burns et al., 2019). The successful implementation of environmental policy, as suggested by existing studies, hinges on the institutional and administrative capacity of a given state alongside the presence or absence of strong policy structures and political leadership. Such capacity is argued to exist only in a small number of member states such as the Nordic countries, Germany, Austria, the Netherlands and the United Kingdom (UK) (Knill et al., 2012).

In this paper, we aim to explore whether and how the fallout from the 2008 economic crisis has impacted on the capacity and willingness of members states to implement EU environmental

policy, and, in doing so, consider academic debates on the EU member state environmental policy 'leader-laggard' dynamic. By developing and mapping out the broader implementation patterns of EU member states, we seek to analyze the environmental policy implementation and the 'leader-laggard' dynamic in relation to policy outputs and outcomes (Burns and Tobin, 2016). Central to this analysis is the 'goodness of fit' hypothesis which focuses on the compatibility of EU policy and the policy and institutional configurations of member states (Börzel and Risse, 2003), with an initial focus on all member states and more detailed insights from Greek and United Kingdom perspectives. The specific focus of these two member states is based on wanting to understand some of the drivers behind different implementation patterns – in these two cases our initial analysis, outlined below, showed that Greece's implementation record plateaued while the UK's improved. The analysis of environmental policy in general for this research, rather than individual policy case studies, rests on the fact that the success or failure of individual policies or the means for achieving policy goals do not provide insights into the wider administrative and social trends impacting environmental policy implementation. To date, various directives such as the Water Framework Directive have been applied and produced different outcomes by EU member states (EEA, 2015). For example, some studies (Lieverink et al., 2009; Knill et al., 2012) have shown that the performance of a 'leader' or 'laggard' varies across a number of policy fields at given points in time. The study of the economic crisis in relation to environmental policy implementation provides an interesting frame in which to explore the 'leader-laggard' dynamic for two reasons. First, it contributes to a finer grained and updated understanding of the environmental policy 'leader-laggard' dynamic in times of crisis. Second, it reassesses the classifications of 'leaders' and 'laggards' based on their policy outputs and outcomes.

The structure of this paper is as follows. First, we set the scene of the 'leader-laggard' debate and then provide the definitions of implementation. Second, we outline the conceptual framing of the paper through drawing on a 'top-down' model of implementation in the context of 'downloading' EU environmental policies by member states alongside the 'goodness of fit' approach as described above. Third, we empirically explore environmental policy outcomes at the EU level in the context of the economic crisis. Fourth, we compare the policy outcomes at the EU level with the policy outcomes at the level of EU member states. Finally, we discuss the implications of these results in light of our conceptual framework and conclude the paper by stating that overall there has been an improvement in the implementation of EU environmental policy by EU member states. This improvement is reflected in the decrease of environmental infringements which according to some participants relates to a lower economic output after 2008. Furthermore, 'leaders' turn out to perform better than 'laggards'. However, policy 'misfits' still remain, with the economic crisis possibly creating new ones, as austerity cuts into the size and budgets of member state national and regional administrations.

2. Conceptually understanding the 'leader-laggard' dynamic in the EU

2.1. 'Leader-Laggard' Debate

Research on 'leaders' and 'laggards' dates back to the dawn of EU environmental policy in the early 1970s when explanations were sought for how, when, why and under what conditions countries implement environmental policy (Andersen and Liefferink, 1997). Since then, a broad and blossoming literature (e.g. Rehbinder and Stewart, 1985; Pridham, 1994; Jänicke, 2005;

Liefferink et al., 2009; Knill et al., 2012; Börzel, 2017) has emerged. The main scope of this literature was an assessment of variations in the development of environmental policy, the speed of adoption of policies, the regulatory tools and strictness, and policy achievements such as environmental quality at the international level over time (Knill et al., 2012:36). These variations in policy performance have been attributed to an array of socio-political and economic factors pertinent to states and multi-level governance systems, such as (non) compliance and implementation deficits. Rapid change in environmental policy performance may also be dependent on domestic political and economic conditions (i.e. a change in government) or external pressures (i.e. an economic shock or crises) (Börzel, 2002).

Reference to ‘leaders’ or ‘laggards’ in EU environmental policy includes evaluations of both individual and groups of countries. The definition provided by Liefferink and Wurzel, (2017:956) will be used here to characterize ‘leaders’, *‘a state may qualify as environmental ‘leader’ or ‘pioneer’ either by being the first to propagate or introduce a certain environmental policy innovation or by exhibiting the highest level of ambition (e.g. strictest standard)’*. According to the literature (Liefferink and Wurzel, 2017), member states in this category include Austria, Denmark, Finland, Germany, the Netherlands, Sweden and the United Kingdom¹. On the other hand, according to Knill et al., (2012:38) a ‘laggard’ state is *‘reluctant and often resistant to the adoption of comprehensive and stringent environmental regulations. This characteristic means that a ‘laggard’ state introduces (certain) policies comparatively late or not at all’*. Member states often regarded as ‘laggards’ in the literature (Börzel, 2000; Liefferink et al., 2009) include Greece, Ireland, Portugal, Spain and most of the Eastern Central European states. Finally, states ‘in the middle’ (Andersen and Liefferink, 1997), ‘in-betweeners’ (Knill et al., 2012) or ‘fence-sitters’ as claimed by Börzel (2002:206) *‘neither set the pace nor put the brake on EU policies. Rather, they tend to take an indifferent and neutral position, or they build changing coalitions with pace-setters and footdraggers, depending on the issue involved’*. Hence, we assert that being an ‘in-betweeners’ presupposes fewer costs in policy implementation due to the already existing structures but limited willingness to fully engage with EU policy prescriptions. Countries such as Belgium, France, Luxembourg, Italy and the United Kingdom are routinely argued to belong in this group (Andersen and Liefferink 1997; Knill et al., 2012).

The existing literature draws on different explanatory approaches for (non) compliance and implementation deficits. The first approach centers on the administrative lethargy, institutional incapacity and legislative inefficiency of Southern states (Pridham, 1994; Pridham and Cini, 1994). This explanation implies a systemic weakness in terms of agreeing and proceeding with reforms due to the fragmentation of political system, the strong presence of red tape and the lack of coordination between the different government entities which can cause significant delays in transposition and policy implementation. The second approach concerns adaptation pressures surrounding the degree of ‘fit’ or ‘misfit’ between EU regulations and domestic regulatory and institutional frameworks (Börzel and Risse 2000; Cowles et al., 2001; Knill and Lehmkuhl 2002; Falkner et al., 2008). In a sense, the extent of domestic change relies on the compatibility of policy structures, institutions and infrastructure. The stronger the ‘fit’, the better the implementation. The third approach refers to the action and mobilization of domestic actors who apply high levels of

¹ The UK in many studies is regarded both leader and in-betweeners interchangeably.

political pressure on effective policy implementation (Tsebelis, 2002; Börzel, 2003). Their role is deemed crucial in providing knowledge and pushing national governments to comply with EU requirements in order to achieve timely and correct policy implementation. Weak domestic mobilization and a lack of consensus among social actors in Southern Europe can influence the decision-making and hamper policy implementation (Börzel, 2003; Koutalakis, 2004).

Being a ‘leader’ or ‘laggard’ has been characterized as a stable characteristic or static condition in some of the existing literature (e.g. La Spina and Sciortino, 1993; Pridham, 1994), but recent studies have sought to challenge this argument (Liefferink and Wurzel, 2017). For example, they have shown that the performance of a ‘leader’ or ‘laggard’ varies across a number of policy fields, at given points in time (i.e. it is a dynamic process). A case in point is Austria, in that its strong climate change ambitions do not match its weaker policy outcomes despite its reputation as an environmental policy leader (Tobin, 2017). In a similar vein, the Netherlands no longer seems to be in the driving seat pushing forward climate legislation and instead relinquishing its leadership role to pursue the so called ‘cost-free leadership’ (Liefferink and Wurzel, 2017: 955).

2.2. Defining Implementation

Given the abundance of definitions of implementation in the existing literature (Dimitrakopoulos and Richardson, 2001; Pülzl and Treib, 2007; Hupe, 2014), we will define it as the process of transposing and applying EU policies to the domestic level by the national authorities. A number of scholars have addressed implementation by breaking it down into two strands (Skjærseth and Wettestad, 2002; Liefferink et al., 2009; Newig and Fritz, 2009; Holzinger et al., 2011; Knill et al., 2012; Bondarouk and Mastenbroek, 2017). The first strand explains policy outputs as the actions taken, and instruments and tools developed for the delivery of policy. The second strand focuses on policy outcomes, that is, the results or effects caused by the policy outputs. Despite the fact that a number of studies have sought to classify states according to their environmental policy record, only a few have attempted to analyze this pattern in terms of policy outcomes (e.g. Liefferink et al., 2009; Knill et al., 2012; Tobin, 2017). We seek to build on this literature by also exploring the ‘leader-laggard’ dynamic through EU member state policy outcomes.

2.3. ‘Top-Down’ Implementation and the ‘Goodness of Fit’

‘Leaders’ and ‘laggards’ can interact within a two-way relationship through bargaining and building country coalitions around common goals, interests and ambitions so as to promote their positions to the EU. This relationship can be ‘bottom-up’ where leading member states pursue to influence EU environmental policy to achieve a more level playing field by seeking higher (or lower) policy standards in line with their own domestic policy. At the national level, domestic actors pressurize their governments to push for policies at the supranational level that are favorable to their interests. At the EU level, member states seek to promote policies that fit into the domestic pressures and reduce the implications at the national level (Cowles et al., 2001; Börzel, 2003). In this sense, member states are not only recipients of EU calls for domestic change but also actively participate in the formation of policies and procedures. An interesting example is Sweden’s

chemical policy adopted by the EU's European (REACH) Regulation (Liefferink and Wurzel, 2017:960). Denmark and Germany constitute two exceptional cases in terms of influencing EU environmental policy (Liefferink and Wurzel, 2017:956).² By contrast, this relationship can also be more 'top-down' (i.e. how member states react to policies coming from the European Commission). From a 'top-down' perspective, the 'downloading' of a policy stemming from the EU can find the policy recipients (member states) facing implementation difficulties and compliance issues due to public pressure, structural inefficiencies, administrative incapacity and high adaptation costs (Börzel, 2002; Jänicke, 2005). The need for domestic change and policy adaptation includes different types of pressure at the domestic and EU level (Radaelli, 2003). The rationale of the 'top-down' approach is used in this paper to explain the actions of member states in 'downloading' (implementing) policies. Consequently, policy compliance is also intertwined with implementation costs which domestic actors may (or not) be willing to take on (Holzinger and Knill, 2008). This issue, however, may create additional problems for national governments regarding the costs of EU policies imposed on them in times of economic crisis.

As we are interested in implementation deficits in the form of policy outcomes, we adapt the 'top-down' perspective to frame our analysis. From a 'top-down' perspective, the impact of EU policy is often construed in the context of 'the goodness of fit' and the intervening factors that differ across policies and member states (Börzel and Risse, 2003; Mastenbroek and Van Keulen, 2006; Bulmer, 2008; Mendez et al., 2008). The 'goodness of fit' between the national and EU level defines the extent of pressure for adaptation caused by Europeanization on member states (Cowles et al., 2001). More specifically, the high degree of pressure for adaptation can be reliant on how compatible EU-level policy is with the existing domestic administrative procedures, structures, and policies. According to the concept there are two kinds of 'misfit' or 'mismatch' that may manifest. The first is policy 'misfit' caused by divergence in EU and domestic policy frameworks. The second is institutional 'misfit' - when the institutional implications of EU policy diverge from and contradict established domestic institutional norms. If domestic and EU principles cannot be met, there is a likely imposition of costly domestic adaptation measures which can result in administrative difficulties and thus weaker implementation.

The concepts of 'policy misfits' and 'goodness of fit' are not without its critics. Among other things, they have been criticized for being too nebulous and thus open to various interpretations for not fully accounting for the other endogenous and exogenous pressures beyond the European Union (Haverland 2000; Mastenbroek and Keading 2006; Sotiropoulos 2015). Following their application in studies of Europeanisation in the late 1990s and early 2000s, the concepts tended to fall out of favour only to experience a renaissance in recent years (e.g. Domaradzki, 2019; Leventon, 2015; Saurugger, 2014; Sotiropoulos, 2015) especially in relation to the impact of the 2008 economic crisis (e.g. Saurugger 2014; Sotiropoulos 2015). These more recent studies have

² The former as a small country which exercised leadership in certain stages of EU policy making, the latter as a larger state that provided leadership throughout all decision-making stages. Both of them introduced environmental policy innovations and exhibited high levels of ambitions and standards in different timings. In addition to this, another factor is the six-month rotating Council Presidency that permits Member states to hold the grip and wield great influence to the EU (Liefferink and Wurzel, 2017:956).

attempted to apply the concepts in a more nuanced way to reflect the aforementioned criticisms in order to understand the contexts in which the ‘goodness of fit’ hypothesis applies to different Europeanisation frameworks and those in which it does not. In this paper we seek to follow this approach under the expectation that in some instances the economic crisis of 2008 has been a major driver on the ‘leader-laggard’ dynamic in the European Union.

3. Research Design and Methodology

This research draws on data from descriptive statistics in the form of environmental infringements³ - as recorded in official European Commission and European Court of Justice documents⁴ - and semi-structured interviews with elite state and non-state actors, such as policy officials and stakeholders from September 2014 to March 2015. The cut-off point of March 2015 represents a period well after the advent of the economic crisis and is a point where the European economy was generally seen to be recovering (EC: DG for Economic and Financial Affairs, Spring 2015). The main interview data we draw on comes from 7 interviewees working at the EU level. Another strand of the wider research project also involved the case studies of Greece (10 interviews) and the UK (9 interviews) whose economies experienced austerity and significant domestic political, economic and administrative pressures to overlook environmental policy implementation in the name of growth. While this member state perspective is limited to two, drawing on this data allows us to support the broader findings from the EU interviewees to gain deeper insights from the perspective of a purported ‘leader’ or ‘in-betweeners’ (UK) and a ‘laggard’ (Greece), who were both significantly but differently impacted by austerity politics. Participants from the EU and member states were selected based on the relevance of their position and workplace. A few examples include the European Commission, its affiliated agencies and research centers, government and local authorities, academia, international organizations, NGOs, and the business world (see the list of interviewees in Appendix). All interviewees were anonymized upon request and presented in a code (as EU1, UK1 and GR1...etc.) to indicate their origin. Data on infringements was tabulated and graphically illustrated using data compiled from the official European Commission data sets such as Annual Reports (26th – 32nd) on Monitoring the Application of EU law and analyses of DG Environment from 2008 until 2014. These reports allowed us to measure the deviation from the existing institutional framework and explain political outcomes.

³ Environmental infringements relate to the violation of Community environmental law. The EU Commission may take legal action and initiate a formal infringement procedure (of several stages each ending with a formal decision as laid out in the EU treaties) if an EU country fails to transpose the provisions of directives and implement EU law. Similarly, it may refer the issue to the Court of Justice which in some cases (of persistent non-compliance) results in the imposition of financial penalties. A telling example is the referral of Greece by the Commission to the European Court of Justice over poor waste water treatment presenting a risk to public health (26/02/2015) (IP/15/4491).

⁴ For more information please see the Annual Reports of the European Commission on monitoring the application of EU law, the infringements cases, court documents and rulings here: http://ec.europa.eu/environment/legal/law/press_en.htm

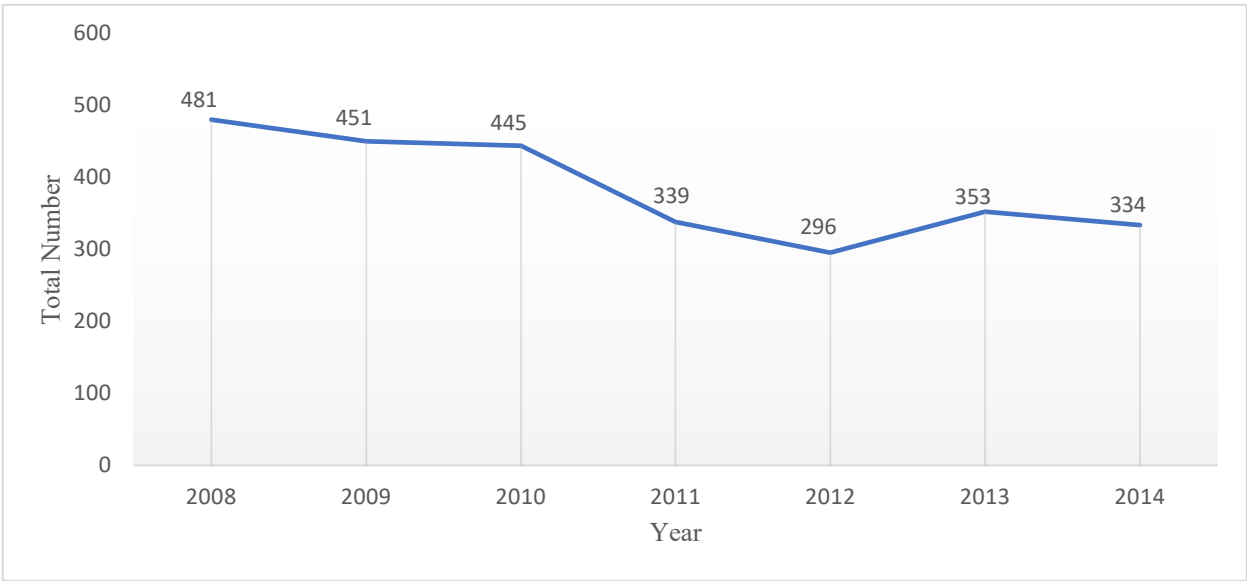
4. Empirical Data

4.1. Broad EU Implementation Trends

This section seeks to capture the broad implementation output trends. As figure 4.1.1. shows below, the number of environmental infringements at the EU level appears to have steadily declined from 2008 to 2012. Interestingly, the economic crisis does not seem to have had a significant impact. More explicitly, two phases are evident. The first phase (2008-2010) constitutes the clear peak in the number of environmental infringements compared to the second phase (2011-2014), which shows a slight increase between 2012 and 2013 and a minor drop in 2014. In this respect, an interviewee (EU2) epitomized the views of the majority of the respondents stating that *"we have come a long way in terms of effectiveness. It is significantly better than it was"*. However, this does not allow complacency considering the words of another interviewee (EU5) that *"there are persistent problems with enforcement and implementation that have not been solved efficiently and continue to be a significant barrier"*. For the interviewee (EU6), this drop may be due to the threat of fines by the ECJ. However, what seems to have changed for some UK respondents (UK6,8-9) is possibly the stance of some member states towards the infringement procedure by being more cost-conscious. Arguably, the pressure exerted on member states according to the participants (GR8,10) and (UK8,9) to comply in times of financial distress and high public deficits is even stronger as it entails additional costs in relation to paying fines, which would deprive the state of necessary financial resources that otherwise could be shifted elsewhere (i.e. to underpin other policy areas at the national level). Similarly, other factors such as the contribution of the Pilot Scheme⁵ may have played a significant role in resolving disputes and thus a reduction in the number of cases that proceed to the court. For others, such as (EU3), this decrease reflects good collaboration and coordination of the member states and on-going monitoring from the European Commission. From a slightly different perspective, another interviewee (EU6) attributes this improvement to the long-term planning and the committed environmental ambitions of some of the member states. He exemplified Germany as one of those countries that changed its growth model to a more sustainable path – although as noted above some commentators have expressed a back sliding from Germany on its environment commitments (Lieverink and Wurzel, 2017). Supporting this overall viewpoint, the argument of the interviewee (EU1) is well-grounded that the global environmental challenges such as climate change find member states pressed to abide by the international agreements and achieve better environmental outcomes.

⁵ The Pilot Scheme was gradually introduced from 2008 to 2012 as an informal mechanism to dispute settling by which the EU Commission aims to settle violations of EU law preceding the initiation of the formal infringement proceedings.

Figure 4.1.1.: Environmental infringements by member states by year, 2008-2014



Source: Authors’ Compiled data sets using official European Commission data from the Annual Reports on Monitoring the Application of EU law (DG Environment) (<http://ec.europa.eu/environment/legal/law/statistics.htm>)

As argued by many respondents a major economic factor is that the pattern observed above may simply be a reflection of a lower economic output following the 2008 economic crisis. For example, the decrease of industrial production, investments and spending power of citizens may have triggered fewer environmental ‘spillovers’ or externalities. However, an interviewee (UK2) expressed some concerns about this: *“I think my guess is that over the next few years it's going to be increasingly challenging for public authorities to continue to implement environmental legislation at the level that was intended and apparently this is because of a steady reduction in the availability of public expenditure for enforcement activities”*. Additionally, the interviewees (EU1,7 and UK3) contended that the absence of EU environmental inspectorates greatly weakens the capacity to monitor and control the implementation process and outcomes; *“there are no environmental inspectors in the EU. We have fisheries inspectors; we have public inspectors but we don't have environmental inspectors. So, we don't have the power to go on the ground”*, (EU1).

4.2. Implementation at the member state level

Table 4.2.1.: Environmental infringements per member state from 2008 to 2014.

Country	Year							Total	Average
	2008	2009	2010	2011	2012	2013	2014		

Austria	11	13	9	6	10	16	12	77	11
Belgium	21	20	18	13	9	10	23	114	16.28
Bulgaria	7	17	17	17	14	17	15	97	14.85
Cyprus	9	7	11	11	7	14	0	59	8.42
Croatia	N/A	N/A	N/A	N/A	N/A	1	9	10	5
The Czech Republic	18	26	17	21	5	7	9	103	14.71
Denmark	17	13	8	7	6	8	4	63	9
Estonia	19	10	11	3	6	9	2	60	8.57
Finland	12	6	13	6	8	14	6	65	9.28
France	34	26	19	15	14	19	19	146	20.85
Germany	9	8	12	7	9	12	13	70	10
Greece	27	24	33	25	22	25	36	192	27.42
Hungary	12	11	9	10	8	7	4	61	8.71
Ireland	35	34	25	17	11	8	7	137	19.57
Italy	45	35	46	40	25	25	18	234	33.42
Latvia	12	6	7	5	6	5	6	47	6.71
Lithuania	14	11	9	5	1	3	1	44	11
Luxembourg	16	8	10	8	3	5	2	52	7.42
Malta	12	12	10	6	6	5	5	56	8
The Netherlands	7	5	4	2	2	4	2	26	3.71
Poland	16	23	26	21	19	20	20	145	20.71
Portugal	21	23	26	24	17	13	10	134	19.14
Romania	7	12	17	8	10	13	30	97	13.85
Slovakia	15	19	13	8	10	17	14	96	13.71

Slovenia	8	6	10	7	11	18	12	72	10.28
Spain	37	40	33	27	32	29	30	228	32.57
Sweden	9	10	14	9	12	11	9	74	10.57
The United Kingdom	31	26	18	11	13	18	16	133	19
Total	481	451	445	339	296	353	334	2.692	14.06

Source: Authors' Compiled data sets using official European Commission data from the Annual Reports on Monitoring the Application of EU law (DG Environment) (<http://ec.europa.eu/environment/legal/law/statistics.htm>)

The annual distribution of environmental infringements per member state is summed up in Table 4.2.1. The overall trend shown here is an improving or flatling implementation trend for the majority of the 28 Member states which reflects the EU picture in the previous section. Notably, this is very obvious in some cases such as of Cyprus, the Czech Republic, Denmark, Estonia, Hungary, Italy, Ireland, Lithuania, Luxembourg, Malta, Portugal and the United Kingdom. In contrast, countries such as Greece and Romania seem to deviate from this trend with an acute rise in infringements, particularly in 2014.

How do these findings compare to accounts in the existing literature outlined above (Lieverink and Wurzel, 2017; Tobin, 2017) in terms of the classification of 'leaders', 'laggards' and 'in-betweeners'? In relation to the data in the table, being a 'leader' or 'laggard' is associated with the total (low or high) number of environmental infringements from 2008 to 2014 which are mirrored overall in the average of each state over this period. In line with the majority of previous studies, our data suggest that Austria, Denmark, Germany, Finland, the Netherlands and Sweden can still be considered as relative 'leaders'. For some interviewees (e.g. EU2,3, GR7-10, UK5,6), Northern European states remain on top of the ranking due to strong administrative capacity with the establishment of sophisticated organizations such as environment agencies to deal exclusively with the implementation of these policies. When establishing 'laggards' our data suggest that only Greece and Spain appear to be aligned with the majority of the literature. Both Greece and Spain exhibit a declining pattern of implementation since the 2008 crisis as shown by the increasing number of infringements. Moreover, the record of Ireland and Portugal, both of which, in contrast to the existing literature seem to show an implementation pattern more akin to a 'leader' than a 'laggard'. According to five out of seven EU respondents, a possible reason could be that a lower economic output in these countries led to fewer environmental externalities. However, the main critique of this view is that Greece had an even lower economic output for the same time period while its implementation record was significantly weaker than that of Ireland and Portugal. Therefore, it is debatable how the decline of economic performance may lead to a better implementation. It may be that the precise impact of the credit crunch was dependent on the individual economic, environmental and administrative contexts of the different member states, but our data is not conclusive on this. Alternatively, fiscal consolidation and the risk of fines may have acted for some respondents such as UK6-7 and GR5-7 as a stimulus to correct these implementation failures as they require more prudent and sound management of public economics.

It may be supported that depriving the economy of significant financial resources to pay fines in this critical juncture can be considered a compliance incentive, as suggested by some of our interviewees (EU4,6 and UK8-9).

The Baltic countries display a very good record. According to one interviewee (EU1), the record of the Baltic countries could be explained in the context of sharing the same environmental tradition and culture as the Scandinavian countries which makes them quite efficient when problems arise. *“From the moment, there is a problem they will try to resolve it, they don't ask for time, they don't necessarily wait for judgment, and they are willing to more or less accept the expertise of the Commission for what they think is suitable”*. However, it is worth noting the apparent variations among the ex-communist states from Central-Eastern Europe. Based on the interviewees (EU4) and (EU6) their mixed performance could be linked to less strict domestic environmental standards following the accession to the EU in 2004, the wider socio-economic problems such as unemployment and the need for economic growth. Finally, fewer variations are identified among the ‘in-betweeners’. Excluding Luxembourg, the rest seem to be largely concomitant with the literature. Overall, our data show that especially traditional ‘leaders’ appear to be relatively stable in their environmental policy implementation record. The ‘leader-laggard’ dynamic shows less stability overtime when it comes to identifying ‘laggards’ as demonstrated by the markedly better implementation record of some of the traditionally weaker and/or newer member states when compared to previous assessments in the literature.

5. Implementation and the ‘Goodness of Fit’

In many respects we find that, overall, with the improving patterns of environmental policy implementation observed in this research, policy and institutional ‘misfits’ may not be so problematic. This may be in part due to the relatively maturity of the environmental policy in the EU and the strong prominence that the EU places on high environmental standards, which as our interviewees have argued, have led to concerted efforts by the European Commission and member states to coordinate their policy actions reducing the risk of ‘misfit’. That being said, our country by country analysis does suggest that EU member states have been affected since the 2008 economic crisis in different ways. So how does the policy ‘misfit’ approach fit with our analysis? To answer this question, we draw on both our EU level interviews and our interviewees from Greece and the UK- representing a member state whose implementation record has plateaued and a member state whose implementation record improved respectively - to get a more in-depth insight.

Crucially, the overriding ‘misfit’ seems to manifest between environmental policy goals and broader macroeconomic policy, which makes the environment less attractive in the eyes of politicians and the public. Notably, this ‘misfit’ departs from the original Europeanisation hypothesis which deals with the existing national structures and the ‘fit’ with EU initiatives. But the ‘misfit’ observed here is the result of change from the policy status quo in some member states due to pressures from the economic crisis and resulting austerity. This ‘misfit’ nicely characterized by interviewees (EU6) and (GR6-10) who argued, for instance, that the strong impact of the economic crisis on Greece has increased the pressure on politicians to tackle the issues of rising

unemployment and the rapid deterioration in living standards. Inevitably, the mounting public pressure in conjunction with strong economic voices seems to have effectively dislodged the environmental discourse from the policy agenda, thus making it a secondary issue. This effect has immeasurably overshadowed the implementation of environmental legislation. Consequently, the views of interviewees (UK4), (GR2,4) that environmental policy is under pressure from other higher political objectives, such as economic growth, fits with this line of argument. This is to say that the task of securing public enthusiasm not only for new environmental initiatives but also for the implementation of the existing environmental measures at the national level becomes more difficult in the face of cuts to administrative budgets and public services. Our interviews indicate that this is the case for both ‘leaders’ and ‘laggards’ with EU interviewees and respondents in the UK and Greece pointing to such pressures. As an interviewee (EU3) mentioned, *“I suspect if you've got a period of inequality which is increasing, then there is probably a lot of sense in saying that, at the same time, the environment would probably suffer or it won't be looked after as well as it could be because resources, capital, and funds are going to areas where people and capital are already there, so it's becoming more concentrated”*.

In a similar vein, our findings further show that institutional ‘misfit’ is impacting upon environmental policy implementation of some member states due to austerity policies reducing the size of government and thus hollowing out the capacity to implement policy and monitor compliance, especially those states in Southern Europe which have been hardest hit by fiscal problems (see also Burns and Tobin, 2016). Interviewees reported that the direct effects of the economic crisis are mostly seen in the reduction of staff and available economic resources to member states to implement, hence lowering the institutional capacity and inducing ‘misfits’ not just amongst the ‘laggards’ but also the ‘in-betweeners’. Again, this situation would represent a departure from the original conceptions of institutional ‘misfits’ that deal with existing member state institutional capacity rather than an exogenous institutional change which compounds or leads to ‘misfits’ as we see in our data.

However, such a reading does not reflect all of the trends we observed above, as in general terms we see an improvement in implementation record in the data in the period after the economic crisis. Moreover, we see a varied implementation pattern between states with similar backgrounds (e.g. in Southern Europe). So other endogenous and exogenous must be at play beyond simply considering policy and institutional ‘misfits’. There were the aforementioned suggestions by all of the EU level interviewees that ‘misfits’ may be present in different domestic policy frameworks with lower standards than those enshrined in EU policy which may be more problematic in some member states (e.g. Greece). Variation in implementation patterns between similar member states (e.g. Eastern or Southern Europe) could therefore depend on aspects such as the level of industrialization. Indeed, socio-economic factors were cited by a few UK interviewees (UK4,7-9), for instance in the context of the level of industrialization, urbanization, and density of population. In such cases, in the advent of economic crisis we might find countries with a strong reliance on heavy industry and manufacturing experience displaying stronger implementation patterns relative to their ‘leader’ or ‘laggard’ peers because of reduced economic output leading to fewer environmental externalities (e.g. Poland). Some of our findings also advocate that the policy approaches of neighboring countries can also be an important factor as in the case with an observed

stronger pattern of compliance in Baltic member states which have strong ties with their Scandinavian neighbors known as traditional environmental policy ‘leaders’. The performance of neighbours can also weaken implementation with for instance, the indifferent implementation record of the new member states from Central Europe as well as some Mediterranean states.

While not a consideration in the ‘misfit’ literature, which is more focused on institutional and policy analysis, our interview data (particularly that stemming from EU level interviewees) indicate the possibility of ‘misfit’ between the policy and the geographical area in which it must be implemented. This is especially an issue with the environmental policy where local environmental conditions can be crucial to the success or not of a policy. Take for example water policy, where land cover and geomorphology can have vastly different implications for run-off and water quality, meaning that more uniform policy approaches may not be appropriate. Similarly, the amount of natural resources a country has to manage raises important questions about costs where nine out of ten Greek interviewees emphasized the high cost for countries with a large coastline to be fully compliant with the Bathing Water Directive.

6. Conclusions

In this paper, we analyzed the impact of the economic crisis on the implementation of EU environmental policy and the ‘leader-laggard’ dynamic in member states with the use of ‘the goodness of fit’ approach. Crucially, our data demonstrate that the implementation of EU environmental policy has generally seen an improving record since the economic crisis in 2008 as reflected in the lower number of environmental infringements at the EU Member state level. Thus, it may be argued that the economic crisis has not had a negative impact on the capacity of states to implement as might have anticipated. A key finding is that the decline in environmental infringements may be associated with a lower economic output that resulted in fewer environmental externalities thus affecting the overall implementation performance. Another point is the fluidity of the ‘leader-laggard’ dynamic as highlighted by the noticeable variations in performance among the traditional poor implementers. Indeed, ‘leaders’ continue to outperform ‘laggards’ but two traditional ‘laggards’ (Ireland and Portugal) appear to cast off that characterization. With regards to the ‘goodness of fit’ approach, our analysis shows that institutional and policy ‘misfits’ may be less important given the generally improved pattern of implementation. That being said, our data show that in some instances, institutional and policy misfits are still significant – more in southern member states like Greece and less so in more northern member states such as the UK- with the economic crisis possibly creating new ‘misfits’ in subtle ways which are not easy to pinpoint or isolate on a country by country basis. However, this finding departs from the original conceptualization of ‘goodness of fit’ in Europeanisation studies which suggest that policy ‘misfits’ occur where the existing EU member state institutions do not fit with European policy requirements. Instead, we observe that the economic crisis in some instances results in changes at the member state level that led to or exacerbated ‘misfits’ contributing to the changing dynamics of the ‘leader-laggard’ dynamic. Moreover, our research points to a number of factors that impact upon member states’ relationship with EU environmental policy beyond the policy ‘(mis)fit’ hypothesis which warrant further investigation, such as the

influence of neighbouring states and the role of geography. We acknowledge that the recovery of EU economy in tandem with more empirical research and a wider set of interviews amongst member states would help contextualize these factors and their interaction with 'misfits' to better understand whether they will be a problematic barrier for the member states to meet EU's ambitious environmental policy goals.

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Appendix

List of Participants		
Code	Position	Date
EU		
EU1	Senior official in DG Environment of the European Commission	19 November 2014
EU2	Research Scientist of the EC in the Research Joint Centers of the European Commission	9 December 2014
EU3	Program Manager in the Joint Research Center of the European Commission	10 December 2014
EU4	Senior Official of the European Environment Agency	11 December 2014
EU5	Program Manager in the EU Specialized Agency	12 December 2014
EU6	Senior official of an environmental think-tank (EPE)	15 December 2014
EU7	European Conservation Officer	12 January 2015
Greece		
GR1	Senior Officer of Local Government Environmental Bureau	1 September 2014
GR2	Senior Officer of Local Government Environmental Bureau	15 September 2014
GR3	Officer of Local Government Environmental Bureau	8 September 2014

GR4	Officer of Local Government Environmental Bureau	8 September 2014
GR5	Special Advisor at the Environment Ministry	10 September 2014
GR6	Special Advisor at the Environment Ministry	10 September 2014
GR7	Senior Official at the Environment Ministry	11 September 2014
GR8	Officer in a Private Environmental Business	11 September 2014
GR9	Senior Official of WWF Hellas	21 March 2014
GR10	Senior Official of Greenpeace Hellas	30 October 2014
UK		
UK1	Labour MP, Former Minister	28 September 2014
UK2	Senior Official from a non-profit environmental institute (IEEP)	11 November 2014
UK3	Senior Official from a non-profit environmental institute (IEEP)	13 November 2014
UK4	Environmentalist	15 November 2014
UK5	Associate Fellow at the Center of European Reform	21 November 2014
UK6	Officer at Natural England	25 November 2014
UK7	Environmental Regulator at the Environment Agency	4 December 2014
UK8	Associate Professor of Ecosystem Services	27 November 2014
UK9	Senior Official on UK and EU Programs division WWF UK	26 January 2015