In Pursuit of Sustainable Development

New governance practices at the
sub-national level in Europe

Edited by
**Susan Baker and
Katarina Eckerberg**

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The 1992 Rio Earth Summit called for global efforts to promote sustainable development in response to the deepening environmental crisis. This book explores how nation states have responded to this call by engaging with sub-national, regional and local actors. It moves beyond an implementation study to explore whether and to what extent the promotion of sustainable development acts as an organising principle for the emergence of new forms of governance practices. *In Pursuit of Sustainable Development* investigates these new practices at the sub-national level in EU member states and in Norway.

Drawing on the fruits of several major international research projects and a specially commissioned Workshop, the contributors explore the importance of 'new governance' practices. Their findings reaffirm the crucial role played by traditional governing activity, including steering by local and national governments and by international authorities. While national legislation and policy priorities are key drivers for sustainable development, success is also dependent on ensuring the active engagement of local actors and the use of the skills and expertise found within civil society.

Leading experts in the field employ their research to show how both new governance practices and traditional government interventions combine to promote and sustain real progress in pursuit of sustainable development. This book will be of interest to students and researchers of politics, development studies, geography, planning, environmental sociology and social policy.

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Series editor's preface

The relevance of this volume is beyond any reasonable doubt: as these lines are being written, the UN world climate change report is presented at Valencia, and the news is certainly not good. While scientists have discussed for many years whether the indicators of global warming represented temporary fluctuations are indeed a secular, human-made trend caused by pollution, this debate has faded recently. There can be very little doubt that humankind is confronted with the huge challenge of making development sustainable if this planet is to remain reasonably inhabitable in the future.

Clearly, this challenge needs to be met on all levels of the political system, that is, by the institutions of supra-national governance, the nation states, and by sub-national actors. Furthermore, it requires not only considerable effort but also innovative governance practices – and this is the focus of the present volume. As the editors write in their introduction, this book studies how policies on sustainable development are implemented and new forms of governance practised. While their analyses concentrate on sub-national politics, including regional and local levels, they also include the interactions with all other levels of environmental governance. In other words, in an age of global challenges the governance of sustainable development at sub-national levels is interconnected with national and supra-national governance structures, and this needs to represent an integral part of the analysis.

To be sure, in an age where even the current President of the United States finds it increasingly difficult to ignore the challenge of climate change there is a tendency for everyone to somehow turn 'green'. Hence, as the editors point out in their introduction, there is a danger that the concept of 'sustainable development' turns into 'an empty conceptual shell, to be filled by whatever characteristics or variables are deemed appropriate'. Consistently, they devote considerable attention to the discussion of the differences between 'sustainable development' on one hand and 'environmental policy' or 'ecological modernisation' on the other.

Furthermore, they argue that there may be unity between form and substance in that the promotion of sustainable development may require new, innovative forms of governance, which blur the traditional boundaries

between public and private and involve a range of non-state partners in processes of policy formulation and implementation. As a means of ensuring conceptual clarity and in order to facilitate the generation of comparable information across the range of cases and areas covered in the book, the editors have developed reporting protocols on sustainable development and new governance requirements, which form the basis of their concluding chapter.

The volume begins with three broadly comparative chapters which focus on the interaction between national strategies and local action and on different governance patterns across European towns and cities. In the somewhat larger second part a number of case studies are presented that analyse aspects of new forms of governance aiming at the promotion of sustainable development in sub-national arenas across a number of European countries.

When it comes to summarising the wealth of empirical detail assembled in this volume, the message is somewhat mixed. While the commitment to sustainable development is widespread on the so-called 'declatory level', the evidence on actual policy measures is more mixed. Also, there is no causal relationship between new governance practices and the pursuit of sustainable development. In other words, form and substance are not necessarily connected. Finally, and most importantly, the instruments of 'new governance' seem to have their limits. Rather that concluding that the state and its traditional government are receding, the editors conclude that 'traditional governing activity' remains important 'in the promotion of sustainable development'. In a nutshell, 'governance and government remain intertwined but distinct elements of the process of governing'. This important study on a central policy arena reminds us of some of the basics of comparative politics: despite all new forms of governance, there is still a role for the state, and it is worth analysing the key actors within it.

Thomas Poguntke, Series editor
Bochum, November 2007

Acknowledgements

Abbreviations

BLAGNE	Working Group on Sustainable Development (in Germany)
BMLFUW	Austrian Ministry of Agriculture, Forestry, Environment and Water Management
BUGM	*Bijdragenbesluit Uitvoering Gemeenelijk Milieubeleid* (Contribution Decree on the Implementation of Municipal Environmental Policy in the Netherlands)
CDB	County/City Development Board (in Ireland)
CDU	Christian Democratic Party (in Germany)
Comhar	National Sustainable Development Partnership (in Ireland)
CPB	Central Planning Bureau (in the Netherlands)
CSU	Christian Social Union (in Germany)
DBU	*Deutsche Bundesstiftung Umwelt* (National Foundation for Sustainable Development in Germany)
DCMS	Department for Culture, Media and Sport (in the UK)
DEFRA	Department for Environment, Food and Rural Affairs (in the UK)
DISCUS	Developing Institutional and Social Capacities for Urban Sustainability, EU-funded research project
EPA	Environmental Protection Agency
FUN	Funding the Implementation of the National Environmental Policy Plan (in the Netherlands)
GDR	German Democratic Republic (former East Germany)
GIDO	*Gemeenschappelijk Initiatief Realisatie Duurzame Ontwikkeling* (The Common Initiative for Realising Sustainable Development in the Netherlands)
EEA	European Environment Agency
EMAS	Environmental Management and Audit Scheme
ESDN	European Sustainable Development Network
EU	European Union
FDP	Liberal Party (in Germany)
IBEC	Irish Business Employers' Confederation
ICLEI	Local Governments for Sustainability – formerly International Council for Local Environmental Initiatives

INTERREG	Interregional Co-operation Programme of the European Union
LA21	Local Agenda 21
LEADER	French abbreviation for Community initiative for rural development, financed by the EU structural funds
LEPP	Local Environmental Policy Plans (in the Netherlands)
LIP	*Lokala Investeringsprogrammet for Ekologiskt Hållbar Utveckling* (Local Investment Programme for Ecological Sustainability in Sweden)
MEDD	French Ministry of Ecology and Sustainable Development
NCDO	National Committee on International Co-operation and Sustainable Development (in the Netherlands)
NDP	National Development Plan (in Ireland)
NEPI	New Environmental Policy Instruments
NEPP	National Environmental Policy Plan (in the Netherlands)
NIDO	National Institute Sustainable Development (in the Netherlands)
NGO	Non-Government Organisation
NOF	New Opportunities Fund of the National Lottery (in the UK)
NRW	North Rhine-Westphalia (in Germany)
NSDS	National Sustainable Development Strategy
NUTS	Statistical Territorial Units (in Ireland)
OECD	Organization for Economic Co-operation and Development
OEE	Office of Environmental Enforcement (in Ireland)
ÖROK	Austrian Planning Conference
PPP	Public–private Partnership
RDP	Regional Development Plan
REGIONET	Strategies for Regional Sustainable Development: An Integrated Approach Beyond Best Practice, EU-funded research project
RIVM	Environmental Planning Bureau (in the Netherlands)
RNE	German Council for Sustainable Development
SDC	Sustainable Development Commission (in the UK)
SFS	*Svensk Författningssamling* (Swedish Ordinance)
SME	Small and Medium-sized Enterprises
SPD	Social Democratic Party (in Germany)
TMLNU	Thuringen Ministry of Agriculture, Nature Conservation and the Environment (in Germany)
UK	United Kingdom
UMK	Conference of Environmental Ministers (in Germany)
VOGM	The Supplementary Contribution Scheme for Developing Municipal Policy (in the Netherlands)
VROM	*Vervolgbiljdrageregeling Ontwikkeling Gemeentelijk Milieubeleid* (Follow-up Contribution Scheme for the Development of Municipal Environmental Policy in the Netherlands)
WRR	Scientific Council for Government Policy (in the Netherlands)
WWF	World Wildlife Fund for Nature

Introduction

In pursuit of sustainable development at the sub-national level: the 'new' governance agenda

Susan Baker and Katarina Eckerberg

Focus of the book

This book explores the promotion of sustainable development as an organising principle for the emergence of new forms of governance practices. It does this by investigating the existence, nature and extent of 'new' governance practices in relation to sub-national implementation of sustainable development policies in European Union (EU) member states and in Norway.

The authoritative Brundtland formulation of sustainable development (WCED 1987), is taken as the starting point. While this formulation is open to different interpretations, at its core it challenges the industrialised world to keep consumption patterns within the bounds of the ecologically possible and set at levels to which all can reasonably aspire (Baker 2006). The Brundtland formulation is used because it commands authoritative status, acting as a guiding principle of economic and social development policy, particularly within the United Nations (Lafferty and Meadowcroft 2000). In addition, the EU has declared itself to be guided by both the Brundtland formulation and its related UNCED process.

Building upon the work of the Brundtland Report, the 1992 UN Conference on Environment and Development (UNCED), or the Rio Earth Summit as it is more popularly known, marked a watershed in international policy. It approached environment and development as equal, interdependent components of sustainable development. However, there is considerable difference of opinion about what an effective implementation of the UNCED programme entails, in particular whether it calls forth 'weak' or 'strong' forms of sustainable development (see Baker 2006). Even if the concept is understood in a weak manner, as it is within major organisations and within OECD countries, 'there can be little doubt that the ambitions enunciated in Rio … involve significant changes in economic, social and cultural institutions' (Lafferty 2004: 19). Agenda 21, the action plan for sustainable development adopted at the Rio Earth Summit, gives a special role to sub-national authorities in pursuit of sustainable development through Local Agenda 21 (LA21) and more recently Local Action 21. As the experiences of LA21 have shown, promoting sustainable development is a complex

and multidimensional task. It covers a wide range of issues, not just in relation to pollution control and natural resource management, but also in relation to access to and distribution of resources across place (between the North and the South) and time (now and into the future).

Following the obligations incurred at the Rio Earth Summit, the decade of the 1990s saw west European states begin to produce national sustainable development strategies (Dalal-Clayton 1996). These central government framework documents structure how sustainable development is to be achieved within a specific country context.

Engagement with sustainable development by central governments in high consumption societies in Western Europe has been subject to extensive research (see in particular the seminal work of Lafferty and Meadowcroft (2000). Implementation of national strategies began in the late 1990s and continues through to the twenty-first century. In this context, this book explores how implementation strategies engage sub-national, regional and local actors in the promotion of sustainable development at the sub-national levels. Particular attention is paid to the scope of these strategies, the nature of the issues they address and the role they envisage for the sub-national level.

Building upon previous analysis of sustainable development implementation

This book builds upon a number of previous works on how the commitment to the pursuit of sustainable development is being implemented in a European context. These include the structural, institutional analysis of developments in environmental governance in European states made by Hanf and Jansen (1998) and the exploration of implementation in the context of multi-level governance structures, extending from the EU to the local levels by Weale *et al.* (2000). However, the primary focus of these studies remains on environmental policy, not sustainable development strategies. Moreover, they concentrate on traditional means of governance in the environmental policy sector, especially that led by central state actors and EU institutions, rather than patterns of 'new' governance. Similarly, given its primary focus on central government efforts to develop national policy frameworks, Lafferty and Meadowcroft (2000) examined state level responses in high consumption societies to structure national commitment to sustainable development. This book moves further through exploring the implementation of sustainable development policies at the sub-national level, including in new Eastern European member states. The conceptual approach also differs in that the concern is to analyse how this engagement is structured by, and is in turn structuring, new patterns of governance for sustainable development.

Studies of the implementation of sustainable development policies at the sub-national level have been made in the REGIONET project (Lafferty and Narodoslawsky 2004). However, its main focus was on the role of the EU

Structural Funds in the construction of regional models of sustainable development. Further studies from the same project, compiled and edited by Lafferty (2004), looked at how Western democracies promote strategic governance for sustainable development, analysing institutional mechanisms of policy implementation of interest to the business community, NGOs and policy makers. We remain guided by Lafferty's concern to address issues of pragmatic, functional governance, that is, to explore adaptation of current values, procedures and institutions to the functional prerequisites for sustainable development. However, while Lafferty asked 'what works, where, when and how?', we ask, 'what has been implemented at the sub-national level, and what does it tell us about the governance of sustainable development?'

The case material presented in this volume was selected from contributions to an ECPR workshop in 2005 entitled 'Initiating Sustainable Development: Patterns of Sub-National Engagement and Their Significance'. The Workshop sought comparative studies of the implementation process at the sub-national level that draw more general conclusions on emerging new forms of governance practices. The three contributions in the first part of the book provide such comparative studies. They enable the book to explicitly focus on how the promotion of sustainable development acts as an orientating concept for governance, thus stretching beyond an implementation study of traditional environmental policy. We also draw upon analysis of the processes of urban governance for sustainable development that formed the basis of research in the DISCUS project (Developing Institutional and Social Capacity for Sustainable Development) (Evans *et al.* 2004). This volume contains contributions from authors who were also involved in the DISCUS research projects, alongside contributions from those involved in two other comparative EU-funded research projects, on LA21 and on regional models of sustainable development (REGIONET).

In addition, the selection of contributions to this book was guided by the need to include material that took account of the fact that, within Europe, efforts to promote sustainable development are filtered through, or mediated by, the EU's system of multi-level governance. Thus, not only are efforts to promote sustainable development guided by the international, UNCED process, but they also stem from the complex interactions between the EU policy-making institutions, member state central governments and the sub-national (regional and local) levels. Through constitutional, legislative and administrative frameworks and financial means, higher levels of government (and in this case, also the EU) may enhance, or restrict, what can be done at lower levels. Three of the chapters (Chapters 1, 2 and 8) are particularly devoted to analysing the 'steering' effects of funding programmes, either from the EU (Structural Funds) or national level of government, on the scope for action at the sub-national level. Furthermore, even in those chapters that keep the sub-national level of implementation as their prime focus, analysis and discussions of the multi-level context are prevalent.

Building on previous studies of LA21

Comparative analyses of the implementation of LA21 across Europe also form a point of departure for this book. These include studies of the initiatives by central and local government, social partners and networks in the promotion of LA21 (Lafferty and Eckerberg 1998; Lafferty 2002). Studying the implementation of sustainable development at sub-national levels of government inevitably takes LA21 into account. LA21 constitutes some of the core elements of sub-national sustainable development activities. LA21 has also received continuous attention through the UNCED process and subsequent follow-ups from national strategies and local government networking to promote sustainable development.

In those European countries which represent the LA21 'earlier starters', such as Sweden and the Netherlands, examples from their LA21 experience are drawn (Chapters 2 and 8). While the peak of LA21 is perhaps already reached in many of these states, others (such as Spain and eastern European member states) are just now embarking on LA21 processes. The analysis of institutional capacities in Spanish local government (Chapter 4) takes empirical evidence from the emerging LA21 agenda, and in Germany similar activities form the basis of study in the German *Länder* (Chapter 5).

However, rather than pursuing yet another comparative study of the implementation of LA21 across Europe, the case selection has incorporated a far wider range of sub-national initiatives into their studies. This recognises that the quest for sustainable development embraces actions across a range of policy areas. Therefore, the second part of the book concentrates on key case studies, from different national contexts. These are drawn from EU member states and from Norway. In the high consumption of the EU, waste management remains one of the major challenges in creating sustainable production and consumption patterns (Chapter 6), while the tension between nature protection and economic development constitutes an important test in achieving sustainable forms of rural development (Chapter 7). Both of those policy areas represent traditional environmental management issues, but that are now struggling to adapt to the broader sustainable development agenda. They will provide important text cases for viewing how successfully sustainable development principles have been integrated into the economic sectors. The kinds of partnerships and networks that are formed through such processes of integration are of particular interest to the theme of this book.

In order to enhance the potential for comparative findings, each of the contributors to this book were asked to structure their chapters around two 'Reporting Protocols'. These present the conceptual and theoretical framework for analysis of 'sustainable development' and 'new governance' respectively. They consist of lists of characteristics that are considered to form the essential components of these two key concepts. Each contributor was asked to identify whether, and to what extent, these characteristics are present in

their case or country study. In some cases, this may lead to the addition of new characteristics, and in others, some of the characteristics listed may prove to be less relevant. Contributors were asked to explicitly state when this is the case and to analyse its significance. The use of the two Reporting Protocols is aimed at enhancing the conceptual coherence of book, while at the same time providing a wealth of comparative material that can be drawn upon to inform the books' Conclusion. The findings from, and limitations of, the Protocols are discussed in the Conclusion.

As stated above, this book investigates the extent to which the commitment to sustainable development is providing an organising theme for the promotion of 'new' models of governance. By examining the interrelationship between this commitment and the emergence of 'new' patterns of governance, the book brings together these two hitherto distinct bodies of academic literature. We begin the presentation of each Reporting Protocol by discussing its underlying theoretical approach that guided its development and then summarise the Protocol in tabular format starting with a discussion on the sustainable development Protocol.

Theoretical underpinning 1: sustainable development

The research presented in this book is driven by the theoretical position that sustainable development is an essentially contested political concept (Lafferty 1995). There is generally agreement on its core set of principles, but beyond that, much debate about its precise meaning. This is because, like such key political concepts as 'democracy', its meaning is realised through action, or in practice. As such, what is of interest is seeing what happens with the concept of sustainable development when efforts are made at policy implementation. This turns attention to the identification of differences in the ways in which the concept has been interpreted and applied in different sub-national, regional and local contexts. By exploring these applications, the book hopes to cast light on whether engagement with sustainable development is giving rise to new understandings within European states of what constitutes societal progress or, in contrast, whether sustainable development remains little more than a heuristic devise to help re-articulate traditional, growth orientated economic development models.

Distinguishing sustainable development from ecological modernisation

The investigations in this book depend upon making a clear distinction between ecological modernisation and sustainable development. There is a tendency in the literature to approach the classic Brundtland formulation of sustainable development as if it were an empty conceptual shell, to be filled by whatever characteristics or variables are deemed appropriate to the political, social and cultural context within which it is applied. This tendency to

conceptual pragmatism has allowed the term 'ecological modernisation' to be used as if it were synonymous with the term 'sustainable development' (Baker 2007). This tendency is encouraged by the fact that ecological modernisation has become the major discourse and strategy by which industrialised countries currently frame and tackle their ecological problems (Blühdorn 2001: 182).

There is now a substantial body of literature on ecological modernisation and, as is so often the case in the social sciences, this has led to a widening and loosening of the theory's core concept and to a disparate collection of empirical approaches. Despite these differences, however, it is generally accepted that there are four main themes at the core of the theory (Gouldson and Murphy 1996: 13).

First, that there can be synergy between environmental protection and economic growth. Policies to protect the environment can enhance efficiency and accelerated innovation, thereby providing an engine for further economic development. Here a major role is envisaged for government in the redirection of the economy, including in relation to industrial policy and the promotion of research and development. Second, it requires the integration of environmental policy into other areas of government activity. This process, known as 'environmental policy integration' (EPI), is a core feature of both ecological modernisation strategies and those directed at the promotion of sustainable development, as discussed below. Third, there is the development of 'new instruments for environmental policy' (NEPIs) (Jordan *et al.* 2003). These include voluntary agreements, pricing mechanisms, eco audit and management systems, and reform of fiscal measures along ecological lines. The use of these instruments is also seen as closely related to the emergence of new governance, as discussed below. Fourth, ecological modernisation takes place through sector specific activity, particularly in the industrial sector where it involves the invention, innovation and diffusion of new technologies and techniques of operating industrial processes (Murphy 2000).

However, the strategy of ecological modernisation stands, we argue, in sharp contrast to the discourse on sustainable development, especially that proposed by the classic Brundtland formulation (Baker 2006). To begin with, the wide-ranging tasks associated with the promotion of sustainable development, as detailed in Agenda 21 and in LA21, are reformulated under the ecological modernisation strategy as the technical, managerial task of 'decoupling' through eco-efficiency. Decoupling refers to breaking the link between economic growth and negative environmental impact.

While Lafferty (Lafferty 2004) argues that decoupling has radical implications for 'business as usual', ecological modernisation still frames nature as a 'standing reserve' of exploitable resources. This does not challenge the western economic development model either to limit growth or change existing patterns of high consumption. As such, it fails to address the basic ecological contradiction in capitalism – that it requires constant expansion of consumption in a world characterised by finite resources. As the

Brundtland Report has forcefully argued, promoting sustainable development in an ecological system characterised by finite resources requires a reduction in growth in the high consumption societies in the North, in order to make way for 'ecologically legitimate' development in the South (Baker 2006). While the Brundtland understanding of sustainable development is open to different interpretations, we argue that at its core, it challenges the industrialised world to keep consumption patterns within the bounds of the ecologically possible and set at levels to which all can reasonably aspire (Baker 2006). This requires changes in the understanding of well-being and what is needed to live a good life (WCED 1987: 51). Furthermore, ecological modernisation differs from sustainable development in its understanding of social change. Ecological modernisation places almost exclusive emphasis on technology and economic entrepreneurs as determinants of social change (Christoff 1996). Social change, especially for Brundtland, is a process involving a wider set of actors who are engaged with a deeper set of principles. These include the normative principles of inter- and intra-generational equity (Baker 2006). In contrast, the social justice aspects of sustainable development are ignored by ecological modernisation (Langhelle 2000).

Distinguishing sustainable development from environmental policy

The book also depends on being able to make a distinction between efforts to promote sustainable development from those that address environmental policy. This is all the more important given the tendency, particularly among public authorities, to equate environmental management with the promotion of sustainable development. We distinguish environmental policy from sustainable development policy along two axes. The first axis relates to the overall aim of policy, the second relates to its governance requirements. The overall aim of sustainable development policy is to promote sustainable consumption and sustainable production. Sustainable consumption refers to changing levels and patterns of consumption through addressing the ethical dimensions of what is consumed and by whom. Sustainable production refers to reducing the resource intensity of production, while at the same time protecting the resource base for further production. Promoting sustainable development involves enhancing the synergistic relationship between these two goals.

Combining this policy 'content' requirement with governance requirements enables us to distinguish sustainable development from environmental policy. We have identified five specific governance requirements that can be used to make such a distinction. First, as developed under the UNCED process, promoting sustainable development, while a quintessentially global task, requires a high level *national government commitment*, typically reflected in the form of a national sustainable development strategy or plan. This means

that the authors of each chapter in this book have been asked to show how, and in what ways, the particular policy or issue under investigation is embedded in a national sustainable development strategy. In this sense, sustainable development is also understood to be a 'meta policy', that is, a policy designed to guide the development of numerous, more specific policies.

Second, promoting sustainable development depends to a great deal not just on high-level political commitment, but well-functioning government institutions (OECD 2001). As noted by Brundtland, many of the key issues that need to be addressed to promote sustainable development are managed by institutions that tend to be 'independent, fragmented and working to relatively narrow mandates with closed decision-making processes' (WCED 1987: 310). When it comes to this task, the policy capacity of government is of prime importance. At one level, this requires strengthening relevant institutions and procedures and fostering co-operation between them.

The link between capacity-building and sustainable development was stressed in Agenda 21, which argued that the ability to pursue sustainable development critically depends on the capacity of people and institutions. Capacity-building encompasses 'human, scientific, technological, organizational, institutional and resource capabilities' (UNCED 1992: paragraph 37.1). Strategies to promote sustainable development thus need to include provisions for improving capacity. In the sustainable development policy debate, Jänicke's and Weidner's (1997) concept of capacity-building has been widely applied. This is further discussed in Berger and Steurer (Chapter 1) and Evans *et al.* (Chapter 3), both of which draw upon their conceptualisation.

In many instances, capacity building has led to the establishment of sustainable development institutions, such as round tables and commissions. This has typically been combined with institutional innovation and reform, including at the sub-national levels. Recent years have also seen the emergence of new institutional arrangements for lesson learning and for policy transfer (as discussed by Kern in Chapter 5). These have helped to move problem solving along practical paths. They have also facilitated learning among diverse stakeholders and helped in the construction of more 'adaptive' decision making processes (O'Toole 2004). Yet, despite recognition of the importance of institutions for the promotion of sustainable development, there remains an urgent need to explore in a more systematic way the institutional challenges of sustainable development. In addition, how and in what ways these challenges have been taken up in specific cases remains under-explored.

Third, it is now recognised that policies to promote sustainable development must be cross-cutting, and take account of sectoral linkages. In the 1960s and 1970s, environmental policy was conceived and implemented as a 'stand alone' policy area, largely independent of policies in other sectors. However, by the 1990s, the emerging agenda of sustainable development conceived economic, environmental and social policies as interdependent,

thus highlighting the need to take environmental considerations into account in a wide range of sectoral policies. This called for the integration of 'social, economic, development and environmental issues at all levels of developmental decision-making and implementation' (UNCED 1992, paragraph 8.12). The necessity of what has come to be known as 'environmental policy integration' (EPI) was also referred to in Chapter 8 of Agenda 21.

EPI is concerned with the integration of environmental considerations into other policy fields. However, beyond this there is little agreement on the exact meaning of the concept (Jordan and Lenschow 2000; Lafferty and Hovden 2003; Lenschow 2002; Nilsson and Persson 2003; Lafferty 2004; Schout and Jordan 2005). Some authors go as far as suggesting a 'principled and consequential prioritisation' of sustainable development considerations over and above sectoral interests as a general rule of EPI (Lafferty and Hovden 2003). Others see EPI as a way of establishing a more rational policy-making process by ensuring a more comprehensive basis for decisions (Underdal 1980), thus overcoming co-ordinating failures in public policies. In addition, EPI can be a tool for general environmental policy, as well as for the promotion of ecological modernisation. In line with Lafferty and Hovden, we are interested in exploring whether it is possible to distinguish EPI as a tool for sustainable development by identifying when it grants a principled and consequential prioritisation of the sustainable development implications of specific policies, programmes and activities (Lafferty and Hovden 2003).

Given the traditional segmentation of government decision-making processes, EPI challenges institutions to develop new practices, procedures and work instructions (OECD 2006: 102). In many ways, EPI can be seen as a context-specific interpretation process, one that is likely to involve many different actors and evolve over time as problems and understandings are continually reframed (Nilsson and Eckerberg 2007). EPI can be promoted both by international 'drivers' for change, and by national government, where institutional set up and specific institutional measures, such as mechanisms for co-ordination and assessment of policies, become important (Nilsson and Eckerberg 2007). In Europe, EPI now has a constitutional backing not only in many national jurisdictions but also in the EU Treaties. At the EU level, EPI is structured and monitored through the so-called 'Cardiff Process', which led to the development of integration strategies in several sectors, including transport, energy and agriculture (Baker 2007). However, most observers suggest that the degree of implementation of EPI at the member state level has been disappointing (Lenschow 2002; EEA 2005; Nilsson and Eckerberg 2007). This book hopes to cast further light on the extent to which, and the methods by which, EPI has been achieved within member states.

Often, two forms of EPI are discussed in the literature: horizontal (HEPI), which refers to cross-sectoral policy integration, and vertical (VEPI) policy integration, that is, within a particular governmental sector (Lafferty 2002: 16; 2004: 205–206). Lundqvist (2004) refers to these as 'inter-sectoral' and 'intra-sectoral' policy integration respectively. As a horizontal

policy, the promotion of sustainable development involves a large number of players, including those drawn from across ministries. Implementing HEPI is associated with the adoption of national sustainable development strategies, or other high-level policy documents, which comprehensively addresses sustainable development concerns in sector policies (Lafferty 2002; Lundqvist 2004). This aspect is covered in our analysis of the role of NSSDs, particularly by Berger and Steurer in Chapter 1. VEPI can be seen as 'the extent to which a particular policy sector has taken on board and implemented environmental policy objectives' (Lafferty 2002: 16) and thus signifies administrative responses as one extends down the different levels of government. This theme is taken up in all chapters in this book.

Although criticised for its rigid presentation of highly separated and self-contained policy sectors that may be difficult to distinguish in policy practice (Persson 2007), the distinction between HEPI and VEPI remains important in current research. VEPI recognises that the promoting sustainable development can not remain confined to central government. Its concerns stretch to the various tiers of international, national, regional and local government, and, as such it has significant, vertical dimensions. The main strategic principles and directions have to be set at central level, which can be drawn down from the international to the national level, but the more detailed planning, implementation and monitoring has to be undertaken at sub-national levels. As such, sustainable development strategies involve an interactive process between international, national and decentralised levels, that is, between HEPI and VEPI.

Yet, the problem remains that many local levels of government do not have the capacity to undertake such tasks, especially when this requires integrated and innovative long-term policy thinking. These capacity difficulties have come all the more evident as a result of major reforms in the role of sub-national government in many western states during the last two decades of the twentieth century. These reforms led to devolution of numerous environmental responsibilities downwards to the local level. This has increased the complexity in the distribution of responsibilities in many policy fields and increase instances where overlapping activities occur between the centre and the sub-national levels, resulting in 'grey areas' (OECD 1997). Such 'grey areas' may undermine the progress towards sustainable development by reducing policy coherence. They also raise important questions about the balance between greater decentralisation, on the one hand, and maintaining sufficient 'steering' capacity in the centre, on the other. Account is also taken of the fact that co-ordination between different levels of government is inherently more difficult in federal states, where powers over sustainable development policies are divided among levels of government in specific ways.

Our fourth governance requirement for sustainable development is that government alone can not take responsibility for promoting sustainable development, even if it manages to mobilise all of its ministries and its

various tiers of government. Other stakeholders need to become active partners, including those from the business community, trade unions, farmers and NGOs.

Broadening the range of actors who share responsibility for promoting sustainable development has led many EU member states to develop more co-operative approaches with the private sectors. This means that hierarchical interventions, such as that related to 'command and control' regulatory approaches, are increasingly combined with co-operative arrangements and legally non-binding agreements between public and private actors, particularly through the use of voluntary agreements. These 'new' environmental policy instruments (NEPIs) (Jordan *et al.* 2003) also include market tools, such as charges and taxes. The result is that a broad range of policy tools, both traditional and new, are now used for the promotion of sustainable development. Making increased use of a variety of instruments helps cope with the growing complexity of sustainable development policy, against a background of limited state institutional and administrative capacity.

The enhanced diversity of instruments now available means that governments can tailor the instruments or create a combination of instruments to suit the specific environmental issue at hand. Devising the right policy instrument is also dependent on what level or tier of government is involved. However, the picture is not that simple. The extent to which the state can use such new instruments to 'steer' final policy outcomes depends

Table I.1 Array of environmental policy instruments

Category	Example
Command and control	Licences/permits; ambient quality standards; emission standards; process standards; product standards; prohibition bans
Economic instruments	Charges; taxes; tradable emission permits; tradable quotas; environmental subsidies; deposit-refund systems; performance bonds; non-compliance fees; resource pricing
Liability, damage compensation	Strict liability laws; compensation funds; compulsory pollution insurance; extended producer responsibility
Education and information	Education campaigns for the general public; diffusion of technical information; publicity of sanctions for non-compliance; eco-labelling
Voluntary approaches	Unilateral commitments; public voluntary programmes; negotiated agreements
Management and planning	Environmental management systems; zoning; land use

Source: OECD 2006.

on several factors. They include the historical patterns of regulation and control within the particular policy area, the institutional interests in maintaining traditional forms of control, the need for legal political authority in the area and the strength of societal organisations and networks (Lundqvist 2001). In order to address this complexity, each contributor to this book was asked to explore whether and to what extent their study shows evidence of the enhanced use of NEPIs and how and in what ways these are combined with traditional tools. Contributors were also asked to consider that not all instruments are equally welcome among environmentalists and they may have unintended consequences which may be negative. Some new policy instruments, especially voluntary agreements have been subject to particular criticism. These have been seen as mere exercises in public relations, as leading to only weak control, and as subject to regulatory capture, allowing industry interests to exercise undue influence over policy and its regulatory process (Power 1999).

Widening the range of actors engaged in the policy process has also given a new role to social actors and groups in the pursuit of sustainable development. This participation is seen as critical by Brundtland, to such an extent that enhanced participation is now seen as a core characteristic of sustainable development processes. The participation of stakeholders and citizens is one of the key issues of Agenda 21 which, among other things, aims to strengthen the role of major groups (Agenda 21, section 3). Here participatory processes become an essential component of democratic governance. This is not least because promoting sustainable development requires trade-offs among society's economic, social and ecological objectives, value judgements which can not be determined by governments alone.

New forms of both stakeholder and citizen participation became central to the development of Agenda 21 at different levels of government. Within the EU, consultation processes were organised at the European, national, regional and local levels. Yet, participation in policy processes and practices vary widely in terms of the status, timing and breadth of stakeholder involvement, reflecting different national institutional settings and preferences (OECD 2006). Contributors were asked to examine this governance requirement, so as to investigate not only the emergence of new public/private partnerships arrangements but also the extent and nature of participatory practices emerging as the sub-national level engages with the pursuit of sustainable development.

This brings us to our fifth and final governance requirement for the promotion of sustainable development. The complex nature of the issues surrounding the promotion of sustainable development calls for long-term policies. This longer-term perspective typically brings an inter-generational time frame into policy. In addition to balancing economic, environmental and social objectives, a basic tenet of sustainable development is the requirement to balance the needs of current and of future generations. This is reflected in the core definition of sustainable development adopted by the

1987 Brundtland Report. The capacity of governments to address longer-term issues effectively depends on their ability to predict future trends and emerging issues (OECD 2006: 105). Contributors were asked to bear this in mind in their presentations and analysis.

The sustainable development reporting protocol

The use of a Sustainable Development Reporting Protocol (see Table I.2) is thus, in part, designed to distinguish government efforts to promote sustainable development from their more traditional environmental management functions. Of key concern here is ascertaining whether initiatives are purporting to promote sustainable development, whereas in fact they are facilitating traditional environmental engagement, that is, whether there is a genuine shift in policy focus. This also means distinguishing approaches that are more akin to promoting ecological modernisation than they are to promoting sustainable development.

Theoretical underpinning 2: new governance

We have identified five specific governance requirements to distinguish sustainable development from environmental policy and from ecological

Table I.2 Sustainable development reporting protocol

Commitment at declaratory level
- Declaratory commitment to sustainable development made.
- Links to Brundtland and/or UNCED stated.
- Explicit reference made to EU engagement.
- Policy in the area/issue under investigation embedded in wider sustainable development commitment.

Commitment in policy context
- Attempts to promote EPI in policy design.
- Policy developed from, or otherwise linked, to LA21.
- Capacity enhancement, including at the institutional level, in relation to promoting EPI.
- The use of participatory structures to facilitate policy-making; mobilisation of stakeholders in policy formulation and implementation.
- Combined with a use of a range of policy instruments.

Commitment in policy content
- Continued attention to traditional environmental policy.
- Linkage make to all three pillars of sustainable development (ecological, social and ecological).
- The existence of a social inclusion agenda, with issues of social well-being, cohesion and justice, including enhancement of social capital.
- Adoption of a long-term perspective.

modernisation. Many of these requirements can be seen as prerequisites for effective and efficient governance for sustainable development – helping to identify priorities, encourage policy co-ordination across the different levels of government and promoting implementation. However, the significance of these governance requirements extends well beyond this role. Many of them are not simply about effectiveness and efficiency, but about changing patterns in the relationship between national and sub-national tiers of government and their institutions as well as between the public and the private sectors. In short, many of these requirements relate directly to the issue of 'new' governance.

The concept of governance deals with managing, steering and guiding action in the realm of public affairs. Governance, it should be pointed out, is something governments have always done. Traditionally, governments have engaged in steering by regulation and sanctions. Guy Peters makes a useful distinction between 'old' and 'new' governance (Peters 2000). Old governance is about steering and control from the centre, wherein the state steers society and the economy through political brokerage and by defining goals and making priorities. Analysis of old governance focuses on what extent to which the state has political and institutional capacity to steer and how the role of the state relates to the interests of other influential actors (Pierre 2000: 3). 'New governance' differs from this in that it refers to new patterns of interaction between state, economy and society.

The term 'new governance' is, however, used in a variety of ways and has a variety of meanings (Rhodes 1996; Stoker 1998). Despite these differences, there is general agreement that new governance refers to the development of governing styles in which the boundaries between and within public and private sectors have become blurred (Stoker 1998: 17).

The emergence of new governance is, it is claimed, a result of the increasing complex, dynamic and interdependent nature of contemporary policy-making (Kooiman 1993). Globalisation and Europeanisation are part of this process (Kohler-Koch and Eising 1998). Its emergence is also attributable to the fiscal crisis of the state, particularly in welfare state regimes, towards the end of the twentieth century. This led to new strategies for public service production and delivery, including privatisation and public/private partnerships (Kooiman 2000: 150). These strategies formed part of the neo-liberal waves of reform that swept many European states in the latter half of the twentieth century, designed to improve efficiency, effectiveness and accountability of public service provision. Under these conditions, governance becomes an interactive process, because no single actor has the knowledge and resource capacity to tackle problems unilaterally (Kooiman 2000; 2003). It is these interactions that give rise to new patterns of governance.

New governance makes use of governing mechanisms that do not rest on the authority and sanctions of government alone. Rather, it involves the use of 'softer' steering instruments, combined with decentralisation and the engagement of stakeholders and civil society in policy-making and delivery

(Lafferty 2004). These administrative reforms have displaced political and institutional policy capacity downwards in the political system, outwards to agencies and NGOs and upwards to trans-national institutional systems such as the EU (Painter and Pierre 2005: 1). This, it is argued, has resulted in major shifts in the role of government. As a result, the 'steering' role of the state changes, because governments can not impose its policy but must negotiate both policy and implementation with partners in the public, private, and voluntary sectors (Stoker 2000: 98). The tendency for the state to withdraw from direct provision or to provide through public/private partnerships in a number of sectors is of direct relevance to the theme of this book. Many of the sectors are critically important for the promotion of sustainable development, including the energy, waste and transport sectors. We are keen to investigate whether the 'steering' capacity of governments in these critical sectors has been reduced and the impact that this has had on the promotion of sustainable development at the sectoral level.

This discussion links the research presented in this book to themes to four specific themes within the new governance literature: (1) multi-level governance; (2) networks and public/private partnerships; (3) participation and (4) new environmental policy instruments (NEPIs). Below, we briefly explore the overlap between the five specific governance requirements we have identified to distinguish sustainable development from environmental policy and ecological modernisation and these key themes within the new governance literature.

1 *Multi-level governance*

In the literature, the concept of multi-level governance is interpreted in several ways and remains a rather fluid theoretical basis for empirical research (Joas and Eckerberg 2004). Nevertheless, it is useful to emphasise the increased interdependencies between national, regional and local government. This is particularly relevant in the context of the deepening of the EU integration process, where policies cross traditional jurisdictional boundaries (Smith 2003: 619). The EU is increasingly conceptualised as a system with interdependent, multiple levels or spheres of governance, including European, national and sub-national policy arenas (Hooghe 1996; 2001; Hooghe and Marks 2001; 2003). This conceptualisation has led to new explorations of the power sharing and resource dependencies between the levels of government within the member states and across the EU (Bache and Flinders 2004).

The conceptualisation of the EU as a system of multi-level governance is of particular interest to us in this book. This is because it is now recognised that many policies and programmes in the area of sustainable development require management activities that move beyond a single level of government or a single jurisdiction, leading to alternative approaches to autonomous and separate governmental authority (Radin 2003: 608). The

deepening of the European integration process means that there is now a much more complex governance structure, in which the capacities of governments to steer their sustainable development trajectories is only one aspect, although undoubtedly a critical aspect, of how the relationship between economy, ecology and society is governed.[1] The conceptualisation allows us to take this complexity into account, and explore national governance for sustainable development while taking account of governance processes at the European Union level. In addition, it focuses our attention on the dynamics involved in setting framework policies and objectives at the EU and national levels, while at the same time, distributing roles and responsibilities across the different levels of governance in ways that are consistent with the resources and capacity of each level (Meadowcroft 2002).

In addition, the lens of 'multi-level governance' turns our attention to the fact that, not only has authority within the EU has been transferred from the national to the supra-national, but also to the sub-national level (Pierre and Peters 2000: 77; Rosenau 1997: 31). This enables us to frame our study of sub-national, regional and local pursuit of sustainable development within a multi-level EU governance context. It thus focuses our attention directly on issues of interdependencies, resource sharing and the political dynamics of policy-making between the sub-national level, the centre and EU institutions. In this way we hope to investigate whether we are witnessing a 'hollowing out of the state', as is often claimed in the new governance literature, or whether the state is restructuring to remain viable in the face of the changing role of the sub-national level and the deepening of European integration (Smith 2003; Pierre 2000).

LA21 takes on particular significance for those interested in capturing the multi-level governance dimension involved in the pursuit of sustainable development. The success of LA21 is critically dependent upon finding ways in which top-down and bottom-up policy approaches can be combined. This is because developing these local strategies involves integrating sustainable development goals into the local authority's policies and activities. At the same time, LA21 places political obligations on national governments, while leaving local authorities' scope to determine what is needed to promote sustainable development in their area, and to develop more integrated approaches towards their economic, environmental and social activities. This range of activities provides insight into the relationship between the multi-levels of governance (international, national and local) involved in promoting sustainable development, while simultaneously giving insights into efforts to date to achieve EPI.

2 *Networks and public/private partnerships*

In addition to its attempts to capture the interactions between levels of governance, the concept of new governance also attempts to capture the dispersal of policy-making and delivery among a variety of private and public

actors (Rhodes 1997; Rosamund 2004: 121). We should note, however, that several of the features associated with 'new' governance are actually well established models of exchange between public and private actors (Painter and Pierre 2005: 2; Peters and Pierre 2003: 3). Schmitter's work on corporatism in particular drew our attention to the institutionalised system of exchange across the public: private divide in western European states (Schmitter 1989).

New governance can be distinguished from these established features by its focus on the role of policy networks, which include public/private partnerships and policy communities, in policy-making. More specifically, new governance focuses on the play of power involved as public and private actors, at various institutional levels, formulate and implement policy. The aim of 'new governance' arrangements is also different, in that they focus less on developing regulatory measures and more on consultation, which can often lead to voluntary measures. What becomes of interest here for the theme of this book is the extent to which the promotion of sustainable development can be pursued not just by political institutions but also by other actors involved in such network governance. We are particularly keen to see the outcomes of local authorities' attempts to draw upon the resources of other actors in the private and voluntary sectors to both formulate and implement policies in the pursuit of sustainable development.

It is generally recognised that strategies to promote sustainable development need to include provisions for improving capacity, especially given the explicit link between capacity-building and sustainable development that was stressed in Agenda 21. The study of network governance also needs to look at the issue of capacity. To do so, we need to be clear on what is understood by 'capacity'. There are different ways of looking at capacity. State capacity refers to the state's ability to mobilise social and economic support and consent for the achievement of public goals. We are less interested in this form of capacity and more interested in what we may term 'policy capacity', which is the ability to marshal the necessary recourses to make intelligent collective choices about, and set strategic directions for, the allocations of scarce resources to public ends (Painter and Pierre 2005: 2). Within this, we are particularly interested in 'administrative capacity', which is the ability to manage efficiently the human and physical resources required to deliver the outputs of government (Painter and Pierre 2005: 2). Policy capacity is particularly relevant to the issue of governance, not least because new governance arrangements, particularly those that involve joint public: private action, have the potential to impact on state capacity to steer collective action.

The concept of capacity can also take on a non-institutional dimension, especially when we consider that the major policy capacity that rests outside the state has to be mobilised in new governance processes. Recently, considerable attention has been given to the notion of 'social capital' to describe those features of society, particularly at the community level, that

facilitates collective action and the types of changes necessary to promote sustainable development. Drawing upon the work of Putnam (2004), social capital refers to networks, shared norms, values and understandings that facilitate co-operation within and between groups. LA21, in particular, has addressed the need, particularly within rural communities, to foster the accumulation of social capital, so as to enable local communities to promote sustainable development. For this reason, we have included several chapters that focus on social capital as the route for non-state policy capacity enhancement, thus allowing us to capture this added dimension to capacity studies in our book.

3 Participation

The issue of social capital bring us directly to the fact that enhanced participation of civil society in policy-making is seen as an essential component of new forms of governance. The shifting boundaries between the state and civil society in the policy-making process is seen as reflective of dramatic changes in the ways in which both citizens and governments think about the role of government in democratic societies (Radin 2003: 608). Here the term 'new governance' also tries to capture the enhanced role of civil society in policy-making processes. However, since sustainable development is a process that is directed towards the involvement of all of society, participation in governance for sustainable development can refer to an array of contexts. In this book, we are directed by Meadowcroft's focus on increased societal participation in processes of making and implementing decisions involving 'official' or 'public' bodies, institutions that have some recognised mandate to act for the public good (Meadowcroft 2004). In the context of participation in such official bodies, we are keen to see whether and to what effect 'new' governance for sustainable development encompasses the representation of concerned interests, the encouragement of deliberative interactions, the integration of different forms of knowledge and the promotion of societal learning (Meadowcroft 2004).

4 New environmental policy instruments

It is argued that the development of less bureaucratic, more flexible, more effective instruments favours and legitimises the formation of new forms of governance (Lenschow 1999). The use of these new instruments emphasises a closer co-operation between public and private actors in the formulation and implementation of policy.

   The use of NEPIs aims to create positive incentives for actors to voluntarily co-operate and participate in policy-making. Many of the EU member states have moved towards the use of more co-operative approaches with the private sectors. This means that hierarchical intervention is increasingly combined with co-operative arrangements and legally non-binding agree-

ments between public and private actors, particularly through voluntary agreements. This contrast with the more adversarial relationship between government and economic actors that is characteristic of 'command and control' regulatory approaches. This harnessing of market forces for environmental protection is, as discussed above, in keeping with a neo-liberal, economic reform agenda. Making increased use of a variety of instruments also helps cope with the growing complexity of environmental policy, against a background of limited state institutional and administrative capacity. Their use can thus also be seen as part of renewed attempts to address the implementation deficit in existing environmental policy.

This means that the use of NEPIs is not necessarily an indication of the emergence of new governance processes. However, while there has been some empirical investigation of the use of NEPIs (Lenschow 1999; Jordan *et al.* 2003; OECD 2006; Holzinger *et al.* 2006) there remains urgent need to investigate whether in what ways the use of such NEPIs is related to new governance patterns. The relationship between the use of NEPIs and the emergence of new forms governance should not be taken a priori, but needs to be investigated through an empirical lens. This book explores the relationship between the adoption of new policy instruments and whether and to what extent we are witnessing the emergence of new patterns of governance.

The new governance reporting protocol

The New Governance Reporting Protocol (see Table I.3) is designed to help the inquiry into whether the promotion of sustainable development acts as an orientating concept for the emergence of new forms of governance. In using the New Governance Reporting Protocol, each contributor was asked to make an evaluation by answering the following questions: are we seeing the emergence of new governance arrangements for the promotion of sustainable development in this case? Is the difference between the traditional approach and the current approach of a quantitative or a qualitative nature? For example, while participation may be identified, does the extent of participation differ across the different stages of the policy-making process (agenda setting; policy formulation; implementation; monitoring; evaluation), making participation more, or making it less, significant for determining the direction of policy?

Structure of the book

The book is divided into two Parts, followed by a Conclusion. Part I, *Promoting governance capacity for sustainable development*, explores the concept of governance and how this relates to the implementation of sustainable development strategies and initiatives. Its main focus is on central government efforts to enhance governance capacity for the promotion of sustainable

Table I.3 New governance reporting protocol

Governance characteristics
- Engagement in traditional business of government: including acting as regulatory authority and passing laws; central state policy-making and planning.
- Engaging in process of governing: policy-making and monitoring, including via institutional arrangements; making use of policy networks to increase policy efficiency.

New governance characteristics
- Continued use of patterns of governance as above.
- Enhanced engagement of multi-levels of territorial government.
- Efforts to improve institutional capacity at sub-national levels.
- Emergence of new public/private partnerships, in particular at the project level.
- Use of new participatory practices, including involvement of wider range of stakeholders and expanding their roles
- Leading to efforts to enhance social capital.
- Emergence of horizontal networks for policy learning and horizontal patterns of policy transfer.
- Widening range of policy tools used, including NEPIs.

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development at the sub-national levels. Part I thus constitutes a point of departure for analysing the sub-national implementation. All three contributions in this section are comparative studies, drawing from a large number of countries with the ambition to reveal common patterns and practices.

Chapter 1 by Gerald Berger and Reinhard Steurer presents a comparative examination of national strategies to stimulate local action in ten European countries (Austria, the Czech Republic, France, Greece, Hungary, Ireland, Poland, the Slovak Republic, Spain and the United Kingdom). They use this information to identify to what extent regional models for sustainable development are emerging. In particular, they analyse the relevance of National Sustainable Development Strategies and the impact of EU Structural Funds at the regional level, thus contributing to the debate on multilevel governance.

Susan Baker and Katarina Eckerberg take this theme further in Chapter 2 by looking at central government funding for local initiatives. The empirical base consists of six investment programmes aimed to promote sustainable development at the local level of government in five northern European states (Denmark, Sweden, Germany, the Netherlands and the UK). These programmes provide good examples of what central government can do to stimulate sub-national implementation. They were selected from countries with a proven record as 'leader states' in terms of implementing environmental and sustainable development policies. The authors compare how sustainable development became operationalised in the different programmes' deliverables; to what extent the criteria for funding were either fixed by

central government or flexible towards local priorities and innovative activities; and what target groups were eligible for funding and what this meant in terms of facilitating engagement among various government and non-government actors in governance processes.

Enhancement of capacity to promote sustainable development at the subnational level forms the focus of the Chapter 3, by Bob Evans *et al.* This builds upon the research undertaken within the DISCUS Project focusing on the lessons from urban settings across 40 European towns and cities. The authors examine how local governments interact with social partners to mobilise their energies and initiatives and increase acceptance of what are often difficult problems to solve in the pursuit of sustainable development. The Chapter concentrates in particular on how the institutional and social capacities for urban sustainable development are intertwined.

Part II, *Engaging in governance for sustainable development*, turns attention to the exploration of developments in leader environmental states, or sub-state regions in Europe. These can be characterised as states that have moved beyond the policy-formulation stage to begin to engage in the implementation of sustainable development strategies at the sub-national level. It explores the conditions necessary for the promotion of sustainable development at the sub-national, regional and local levels, focusing on the governance prerequisites. All chapters in this section are case studies of specific countries and/or policy sectors.

Governance for the promotion of sustainable development brings with it institutional prerequisites, a topic explored in Chapter 4 by Ken Hanf and Francesc Morata. They examine efforts to strengthening institutional capacity at the sub-national level in Spain, with particular emphasis on the region of Catalonia. Attention is paid to relations between the local and national levels and to the multi-level decision-making processes necessary for governing the Local Agenda 21 Action Plans and other sustainable development initiatives in the region.

Multi-level governance relations also provide a key theme in Chapter 5 by Kristine Kern, which examines the prospects for and barriers to environmental governance in Germany. She emphasises the importance of looking beyond the formally constructed division of power between the federal and *Länder* levels if we are to capture the dynamic and extensive engagement of the *Länder* level in the promotion of sustainable development. She also discusses the role of policy learning in this process.

In Chapter 6, Bernadette Connaughton *et al.* return to this theme when they explore the changing nature of environmental governance in Ireland, in the context of EU membership. They focus on waste management in Ireland, where waste is increasingly managed through public–private partnerships. They analyse whether these partnerships have promoted new forms of governance, particularly those that involve enhancing stakeholder participation in policy-making. In Chapter 7, similar partnership developments are investigated in the Norwegian case, where Sissel Hovik studies the

emergence of governance networks to promote rural sustainable development. She discusses the role of such networks in contributing to input-based legitimacy in nature protection areas, where there is conflict between protection of biological diversity and development of tourism. These regional networks are assessed as to the extent to which they represent new governance processes.

Our final contributor, Frans Coenen, explores the role of local authorities in promoting sustainable development in the Netherlands. Hence, Chapter 8 synthesises lessons learned from the long history of Dutch planning, showing the changing understanding over time of what constitutes the policy agenda for sustainable development. The analysis concentrates on revealing trends towards new governance patterns at the local level, and corresponding changes in the role of central state and its relationship to the local level.

In the Conclusion of this book, the editors use the information provided by the two Reporting Protocols together with empirical explorations to identify whether the commitment to sustainable development is providing an organising theme for the promotion of new models of governance. If so, then the implications this has for the role of the state in this policy field and more generally as a policy maker are examined. Through this it is hoped to reveal whether new models of governance to promote sustainable development may change our understanding of what constitutes (green) democratic practice, and how this, in turn, is related to discussions on the changing role and nature of the state in Europe.

Note

1 International integration, including in relation to GATT and UNCED, adds to this complexity (Gamble 2000: 134). This latter dimension of governance has been well explored by Lafferty and Meadowcroft (2000), but did not form a central component of the present volume.

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Part I

Promoting governance capacity for sustainable development

1 National sustainable development strategies in EU member states

The regional dimension

Gerald Berger and Reinhard Steurer

Introduction

The objective of this chapter is to investigate the implementation of National Sustainable Development Strategies (NSDSs) at the sub-national level in selected European Union (EU) member states. The focus is on the governance arrangements and policy priorities to promote sustainable development at the regional level. Key policy issues for the promotion of sustainable development, for example, climate change and biodiversity, cross-cut not only the horizontal boundaries between various central government ministries, but also the vertical levels of political systems. Thus, it is important to examine the vertical dimension of policy-making if we are to fully understand the relevance and impacts of sustainable development strategies and policies. By exploring conceptual and practical approaches towards vertical policy integration in the context of NSDSs, this chapter tries to capture the 'steering capacity' of the nation state in pursuit of sustainable development.

The chapter explores the following three research questions:

- How do NSDSs address the challenge of vertical policy integration with respect to the regional level? What kind of (new) governance arrangements do NSDSs imply for sustainable development policy-making in regions?
- Do the vertical policy integration mechanisms foreseen in the NSDSs largely perpetuate traditional patterns of environmental policy or do they introduce new instruments and pathways that are more in line with the concept of sustainable development?
- What does vertical policy integration in NSDSs imply for the 'steering capacity' of the European nation states?

The bulk of the empirical material presented here is based on the results of the EU-funded project 'Strategies for Regional Sustainable Development: An Integrated Approach Beyond Best Practice' (REGIONET) and the

outcomes of two conferences with NSDS coordinators from EU member states organised by the European Sustainable Development Network (ESDN). For the more in-depth analysis presented in this chapter, four EU member states were selected, namely the United Kingdom (UK), France, Ireland and Austria.

The following section discusses basic terms and concepts that are relevant for the chapter, including 'governance', 'policy integration', the notion of 'regions' and 'capacity-building' for sustainable development. Then a brief overview is given of the development and practical experiences with NSDSs in Europe in general, followed by an in-depth analysis of the implementation of sustainable development at the regional level. The main arguments and reflections are summarised in a concluding section.

Basic concepts

Governance and policy integration

Over the last decade, 'governance' has become one of the most prominent concepts among both policy makers (European Commission 2001a) and social scientists (Treib *et al.* 2005; Kooiman 2003; Pierre and Peters 2000). Governance mainly refers to the 'steering capacity' of a political system (Gamble 2000). The concept became increasingly important when changes in framework conditions (for example, reinforced neo-liberal market approaches, globalisation trends) led to the questioning of traditional forms of top-down government interventions and policy-making. Therefore, one can distinguish between 'old' and 'new' governance approaches.

The key characteristics of 'new' governance are:

i   The use of 'softer' policy instruments: instead of 'command-and-control' legislation, new governance is associated with new environmental policy instruments that are characterised by the use of market incentives (for example, eco-taxes and environmental agreements) and the provision of information about effects of certain choices (for example, eco-labelling) (Jordan *et al.* 2003).

ii Extended forms of participation: new governance refers to a decision- and policy-making style that provides more possibilities for involving different kinds of non-state actors, such as companies or non-governmental organisations (Treib *et al.* 2005). This element of new governance is also known as 'network governance' (Kriesi *et al.* 2006).

iii Increased involvement of sub-national levels of government: new governance is associated with 'multi-level governance', a concept that refers to a stronger collaboration between the different levels of government (European, national, regional and local) in the decision- and policy-making process (Smismans 2006; Berger 2003; Peters and Pierre 1998).

In the analysis in this chapter, it is important to reflect further upon multi-level governance and policy integration.

In the EU context, multi-level governance features are seen as defining the interface between EU policy-making and the member states. However, scholars dispute the role of the nation state in this respect. On the one hand, Hooghe and Marks (2001: 1) argue that 'formal authority has been dispersed from central states both up to the supranational institutions and down to the subnational governments'. On the other hand, Pierre and Peters (2000) argue that nation states still possess important resources for guiding policy structures and processes. Generally, the 'steering capacity' of the nation state remains critical in order to establish a coordinated form of policy-making in the various policy fields, for example, through framework legislation or strategy formulation, but at the same allowing leeway for the sub-national level, especially in the implementation of policies.

The concept of governance also refers to 'policy integration'. The search for better policy coordination has lead to intensive discussions about the way policy-making should be carried out. Several scholars in the field of public policy and public administration have dealt with policy integration (Schout and Jordan 2005; Peters 1998). According to Meijers and Stead (2004: 2) policy integration 'concerns the management of cross-cutting issues in policy-making that transcend the boundaries of established policy fields, and which do not correspond to the institutional responsibilities of individual departments'. This definition mainly refers to 'horizontal policy integration', which points to the coordination between different ministries and/or administrative bodies on the same political level. The main objective is to develop provisions and measures for integrating various sectoral policies. Over the last years, for example, efforts have been made to achieve environmental policy integration, that is, the integration of environmental issues into other, non-environmental fields (Lafferty and Hovden 2003). However, policy integration also comprises 'vertical policy integration', which refers to the coordination of various policies between the different levels of government. This can involve, for example, framework legislation, strategies or programmes and coordinating bodies, including councils or commissions. The aim is to achieve coherence between activities at the different political levels, from policy generation to implementation (Zingerli *et al.* 2004). Generally, both horizontal and vertical policy integration is inherent in the concept of sustainable development, which calls for the integration of 'social, economic, development and environmental issues at all levels of developmental decision-making and implementation' (UNCED 1992, paragraph 8.12).

Reflection on the 'steering capacity' of the nation states for a coordinated form of policy-making – that is policy integration to achieve coherence between different political levels from policy generation to implementation – is of central importance in this chapter. The focus is on a specific form of coordination tool used by central states, namely, strategy documents. We

focus in particular on national sustainable development strategies, examining how they are used to foster sustainable development at the sub-national levels. Overall, vertical policy integration comprises two major challenges for national governments. First, they have to secure the commitment for policy objectives and measures from the sub-national levels. Second, they need to contribute to building or strengthening the capacities of the sub-national levels to undertake the actions foreseen (May *et al.* 1996).

Regions in Europe and sustainable development

Because the concept of sustainable development transcends different levels of government, it needs to be tackled also at the regional level (Börzel 2003). First, regions are increasingly identified as the space in which many of the specific problems that are associated with sustainable development become evident and impinge directly upon human life. Second, regions are seen as the appropriate political level to deal with the practical tasks of promoting sustainable development policies. In other words,

> regions [...] hold important resources that are necessary to develop and implement sustainable development. It is not only their capacity to make and impose [...] decisions [...but they] play a crucial role as interface coordinators or arenas for policy coordination among local actors with the necessary resources to make regional policies work.
>
> (Börzel 2003: 20)

However, before we further investigate the role of regions in policy-making and sustainable development policy, it is important to clarify what is meant by the notion of 'regions'.

There is no generally accepted definition of what a 'region' is, neither in the EU member states nor among scholars. Berger (2003) makes a distinction between three forms of regions. First, regions can be regarded as spatial or geographical entities which share common historical roots, language or culture (Lafferty 2000). Second, regions can be defined as functional entities with regard to a specific policy field, for example, economic, labour market or bio-regions (McGinnis 1998). Finally, and most importantly, regions are political-administrative entities, representing the first level below the nation state, with specific political and/or administrative competencies. How these competencies are defined is dependent on different state traditions within the member states. Loughlin (2001: 12) argues that 'each of these state traditions conceives of the state in a particular manner and [therefore] distinct political and administrative cultures, forms of state organisation, and kinds of state-society relationships [prevail]'. As a consequence, 'the place of sub-national government also varies considerably across different traditions' (Loughlin 2001: 12). The most common distinction in state traditions is between central and federal political systems. In addition to state traditions

influencing the structure of centre/local relations, the EU has become another strong influence shaping the relationship between the different levels of government. In particular, direct relationships have developed between the EU and the regions in relation to the implementation of EU regional development programmes, including the Structural Funds.

A brief overview is presented here of the relationship between the governmental levels in the selected four countries. The UK, Ireland and France have centralised political systems in place, whereas Austria is one of the few federal states in Europe. The changing role of the regions within the EU, along with the administrative needs of the Structural Funds regime, was a prime driver in the development of a more regional approach in the UK. This led, among other changes, to the creation of Regional Development Agencies. In recent years, the UK has witnessed some dynamics in its political system because the devolved administrations (Scotland, Wales and Northern Ireland) gained specific legislation and policy-making powers (McEvoy and Ravetz 2004).

Similar to the UK, the development of regional authorities in Ireland has occurred largely in response to EU requirements, particularly for the management of Structural Funds spending. Nevertheless, Ireland is still characterised by a high degree of centralisation (see also the chapter of Connaughton *et al.* in this volume). Thus, while the newly created regional authorities were charged with reporting on key issues for their regions, they continued to lack political power and financial resources. However, they do nonetheless play a role in the implementation of sustainable development at the local level (Mullally 2003, 2004a).

Although France must still be considered as a centralised state, its regions have significantly more competencies than those in the UK and Ireland, in particular since the decentralisation laws passed in 1982 (Bertrand and Larrue 2005). As a result, French regions have become important actors in the implementation of regional policies (Brillet and Féron 2003).

In contrast, Austria is the only federal state among the selected countries. The nine Austrian regions are not only provided with important competencies in certain fields, for example, health, social policy and nature protection, but also have their own budget. Although sometimes referred to as 'implementation federalism', the practical policy-making process is characterised by the strong bargaining power of the regions and their informal relationships with the national level (Berger and Narodoslawsky 2004).

The importance of regions in the implementation of sustainable development policies brings discussion to the concept of capacity-building for, and in, the regions.

Capacity-building for promoting sustainable development

The link between capacity-building and sustainable development was made in Agenda 21, the action plan that followed the United Nations (UN)

conference in Rio de Janeiro in 1992. It was acknowledged that the ability to follow a sustainable development path critically depends on the capacity of people and institutions. Capacity-building encompasses 'human, scientific, technological, organizational, institutional and resource capabilities' (UNCED 1992: paragraph 37.1). For sustainable development, the main implication is that long-term sustainable development strategies, to be successfully implemented, need to include concepts and provisions for improving capacity. As pointed out in Agenda 21, 'a fundamental goal of capacity-building is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation' (UNCED 1992: 37.1).

In the sustainable development policy debate, Jänicke's (1997) concept of capacity-building has become seminal. He defines capacity building as the 'necessary preconditions for successful solutions of a given type of problem' (Jänicke 1997: 1). He identifies the preconditions for sustainable development policy capacity as: (i) ecological, technological and administrative knowledge, (ii) legal, personal and budgetary resources, and (iii) the inclusion of relevant political and societal actors.

In addition, we argue that NSDSs can contribute to improve the capacities for sustainable development at the regional level through providing a long-term vision of sustainable development and by enabling strategic planning, including identifying policy priorities and appropriate instruments. These can, in turn, be used to guide the regional institutions and actors in their practical implementation tasks.

National sustainable development strategies in the EU

Agenda 21 suggests that NSDSs should 'build upon and harmonize the various sectoral economic, social and environmental policies and plans that are operating in the country [and] ensure socially responsible economic development while protecting the resource base and the environment for the benefit of future generations' (UNCED 1992, 8.7). Policy planning or policy strategy documents mark one of the many tools that are available to governments to systematically organise the policy-making process. The discussion about the theory and principles of strategic planning has a long tradition in the management literature (Brews and Hunt 1999; Mintzberg *et al.* 1998; Mintzberg 1994).

According to Steurer and Martinuzzi (2005), strategic planning is important (a) to coordinate activities, (b) to ensure that possible future developments are taken into account, (c) to control the use of resources, and (d) to facilitate collective and incremental learning processes. Consequently, strategies can be considered as important 'steering' and capacity-building tools in policy-making for nation states.

Only a few European countries had developed NSDSs in the 1990s. This situation changed with the Gothenburg European Council in June 2001, at

which sustainable development was addressed in two respects. First, there was the launch of the first European Union Sustainable Development Strategy (European Commission 2001b). Second, in line with OECD and UN requests, the European Council invited the EU member states 'to draw up their own national sustainable development strategies' (European Council 2001: 4). A considerable number of member states and the then accession countries followed this call and developed NSDSs in time for the UN World Summit in Johannesburg in September 2002.

As the European Commission's staff working document on NSDSs outlines, the actual strategy documents differ widely in various respects (European Commission 2004). Some NSDSs communicate a bold vision with a few priorities on some dozen pages, while others present a bulky array of intentions and objectives spread over more than 200 pages. In order to facilitate policy integration, countries clustered the issues dealt with in the NSDSs into broad categories, around key actors or alongside the three dimensions of sustainable development. Despite the differences between them, the European Commission (2004: 17) argues that they share a common problem, in so far as strategies 'often lack sufficient prioritisation of issues and the linkage between social, economic and environmental dimensions [. . .] is usually weak'.

The implications of sustainable development at the regional level: an analysis of selected EU member states

In this section, experiences with vertical policy integration in the selected EU member states are explored. First, an overview is given of the provisions that are outlined for the regional level in the NSDS documents. Second, the practical experiences in the regions with processes and policies to promote sustainable development are investigated.

Provisions for regions in the NSDSs

General role of the regions

Each NSDS of the four selected EU member states refers to regions as important level for the delivery of the national sustainable development strategy (DEFRA 2005a; Irish Ministry for the Environment 1997; BMLFUW 2002; MEDD 2003). Not surprisingly, the NSDSs argue that regions play a particular role in the translation and implementation of the NSDSs to regional circumstances. For example, the Irish NSDS mentions that regions have an 'ongoing responsibility for the regionalisation' of the strategy (Irish Ministry for the Environment 1997: 187). The Austrian NSDS points out that the country's 'federalist culture requires that there is a strong emphasis on sustainable development at the regional and communal level' (BMLFUW 2002: 13). In the UK, regional leadership and 'the

commitment and capacity of […] local authorities and those providing public services at regional and local level' is seen as crucial (DEFRA 2005a: 152) The UK government also points to the need for collaboration with the devolved administrations (Scotland, Wales and Northern Ireland) in order to set common goals for sustainable development (DEFRA 2005b).

In practice, representatives of regional authorities participate in National Councils for Sustainable Development or other sustainable development committees. This is the case in France and Ireland as well as in Austria where, in the latter case, regional sustainable development coordinators participate in the 'Committee for a Sustainable Austria' that has an important role to play in accompanying and implementing the NSDS.

Policy priorities for the regional level

Sustainable development policy priorities vary across the four countries. Nevertheless, two important common priorities can be identified for the regional level. First, all four NSDSs mention Local and Regional Agenda 21 initiatives as important programmes for sustainable development policies on the sub-national level. Second, most of the policy priorities stress the aim of achieving horizontal policy integration. Thus, the NSDSs represent a shift in focus from sectoral (environmental) policies towards a more integrated form of sustainable development policy-making.

In the UK, for example, integrated policy programmes are suggested, so as to create links between regional transport, economic development and housing programmes. These, it is argued, should be supported by alternative economic scenarios in line with the concept of sustainable development. Reflecting upon the public health dimensions of sustainable development is another dimension of these integrated policy proposals (DEFRA 2005a). In a similar vein, the Irish NSDS outlines a number of policy priorities for the regional level, including regional economic development, water management, transport policy as well as policies related to the Structural Funds programmes that should be guided by the sustainable development paradigm (Irish Ministry for the Environment 1997, also Connaughton *et al.* in this volume).

The Austrian regions are requested to contribute to the 20 key objectives outlined in the NSDS, according to their devolved responsibilities. One key objective, 'Responsible Use of Land and Regional Development', specifically addresses the regions and includes policy priorities like economic and cultural diversity, preservation of ecosystems, tourism and regional planning (BMLFUW 2002).

The French NSDS dedicates a separate chapter in its action programme to the regions. This lists a broad range of policy priorities coupled with concrete objectives, for example, in relation to urban sprawl, cultural heritage, energy consumption, nature preservation, biodiversity and ecosystems as well as amending social inequalities. An interesting priority is the develop-

ment of a 'sustainability' approach within cross-border cooperation projects, in order to facilitate concerted management and joint projects for sustainable development with regions in neighbouring countries (MEDD 2003).

Coordination mechanisms of sustainable development governance between the national and regional level

There are various coordination mechanisms foreseen in the NSDSs. They are mainly concerned with the coordination of activities between different intra-regional institutions and levels of government as well as the collaboration between the various stakeholders. They range from regional sustainable development frameworks, networks and partnerships to training programmes for civil servants.

In the UK, three regional institutions, namely the Regional Development Agencies, Regional Assemblies and Government Offices in the regions, are responsible for delivering sustainable development, although each receives guidance from central government. This guidance stipulates that the regional level should draw up regional sustainable development frameworks whose core elements are developed in consultation with stakeholders. The frameworks should include a shared vision for the regions; objectives, priorities and targets for advancing sustainable development; action plans with responsibilities or organisations for delivering sustainable development priorities; and regional indicators and monitoring framework (DEFRA 2005a).

The Austrian NSDS mentions decentralised action as crucial for successful implementation. For this task, establishing interfaces between the national and regional levels are suggested, in accordance with the principle of subsidiarity. Not unusual for a country with a consensus- and partnership-oriented political culture is the reference to strong networking between national ministries, regions and social partners (BMFLUW 2002). Additionally, existing networks and dialogue forums should be integrated in the implementation efforts, including, for example, the 'Conference of Sustainability Coordinators' that was set up by the environmental advisers in the regions (Austrian Federal Chancellery 2006).

Similarly, the Irish NSDS suggests that regional authorities should coordinate exiting organisations and institutions because they are an 'appropriate fora for achieving the best balance between development and sustainability' (Irish Ministry for the Environment 1997: 186). Regional authorities should also promote partnerships between different stakeholders in the regions to ensure a unified set of sustainable development targets.

Although the French NSDS is largely silent about coordination mechanisms for the regional level, there are two hints at interesting approaches (MEDD 2003). On the one hand, training programmes for civil servants at all levels are envisaged in order to learn how best to integrate sustainable development in the various policy fields. On the other hand, research should

be fostered at the regional and local levels for a better understanding of policy integration issues for sustainable development, as well as to provide data and information for policy-makers.

Policy tools/instruments for the regional level

The NSDSs pay only scant attention to outlining policy tools/instruments that could be used at the regional level. More often, they make only general references to regional strategies, frameworks or guidelines. The NSDSs of the UK, France and Austria, for example, refer to the development of regional sustainable development strategies to coordinate action at the regional level.

   In France, besides urging the regions to integrate sustainable development into regional strategies, a request is also made to develop regional coherence frameworks, including regional policy priorities, action plans and management guidelines (MEDD 2003). The Austrian NSDS not only points to regional sustainable development strategies and action programmes, but also to the need to create suitable instruments and processes to integrate sustainable development in all policies, including for example, the use of sustainability impact assessments of policies, programmes and plans (BMLFUW 2002). The UK strategy calls on the devolved administrations to specify further actions and priorities according to regional needs. Furthermore, these should inform other regional strategies, in particular, economic and spatial strategies (DEFRA 2005a). The Irish NSDS is particularly vague regarding policy tools/instruments. It mentions that regions should identify sustainable development priorities, recommend appropriate implementation mechanisms and assist in the development of regional sustainable development indicators (Irish Ministry for the Environment 1997).

   Thus, while new environmental policy instruments do play a prominent role in the NSDSs, however, they are not directly linked to the regional level. Therefore, in relation to whether NSDS introduce new policy instruments, we conclude that that the shift in policy priorities towards a comprehensive sustainable development approach, as presented in the NSDSs, is not matched by a concrete outline of policy tools/instruments that the region could use to successfully realise this shift. This might limit the achievement of vertical policy integration, as the coordination tool (the NSDS) does not include a comprehensive outline of the link between policy generation and implementation, needed if such strategies are to promote policy coordination.

Experiences in the regions with the promotion of sustainable development

Regional sustainable development strategies

As described above, the NSDS often urges regions to develop regional sustainable development strategies. In practice, there is a substantial amount of initiatives undertaken in the regions of the selected countries. What is also important to notice is that other plans and strategies, apart from NSDSs, have an important impact on sustainable development initiatives at this level.

In the UK, national legislation requires a number of strategies to be produced in each region. These include regional economic and spatial strategies. Other strategies are not statutory requirements, but are strongly recommended by central government and all regions have developed these strategies to some extent, such as in relation to housing, waste management, sustainable energy or transport strategies. The most significant ones in terms of sustainable development are the regional sustainable development frameworks which are meant to be high-level documents setting out a vision for sustainable development at the regional level. However, they are confined to the English regions.

A recent report by the independent Sustainable Development Commission on sustainable development in the English regions shows, however, that the strategy has had only limited influence. The report argues that 'there are too many regional strategies to be effective [and] these are often in conflict with the move towards "integrated" regional strategies of one kind or another' (SDC 2005: 10). As regards the regional sustainable development frameworks, they argue that there is confusion about their purpose and that they are not recognised by the stakeholders as the overall regional framework (SDC 2005). The Report suggests that the focus should shift towards finding means to achieve strategic integration of different policies so that a single regional 'vision' can be borne (McEvoy and Ravetz 2004).

In Austria, the regions have not, as yet, come up with integrated sustainable development strategies. There are numerous environmental and sustainable development initiatives developed in the regions, however, they are based on the general statutory duties of the regions. Examples of coordinated work towards sustainable development can be found, however, at the city level. Vienna, for example, has developed an eco-business plan and has included sustainable development in its various strategic city plans. Recently, Salzburg's regional governor stated that the region wants to become a European model region for sustainable development (Salzburger Landeskorrespondenz 2006). Currently, there only exists a partnership for sustainable development with industry and an information initiative. Further development of regional sustainable development strategies requires stronger efforts to promote horizontal policy integration at the regional level (Austrian Federal Chancellery 2006).

A further document that gives guidelines for the regions in terms of sustainable development is the national 'Austrian Spatial Development Concept' of 2001 (ÖROK 2001). This is a guiding document that provides recommendations for parties involved in planning policy. As the Austrian regions have been given competence for development planning under the provisions of the Austrian Constitution, the Spatial Development Concept is an important strategic document. Among the six priorities for Austrian spatial development policy that are outlined in the Concept, are 'sustainable use of natural resources' as well as 'balanced regional development and social integration'. Because the regions have a constitutional obligation for development planning, they are engaged in a number of ways to implement the priorities and provisions outlined in this Concept (Berger and Narodoslawsky 2004).

Similar to the Austrian situation, there are other national plans and strategies which influence practical actions towards sustainable development at the regional level in Ireland (see Chapter 6 in this volume). Regions are requested to support the implementation of the 'National Development Plan (NDP)', that is the principal mechanism for investment in regional development in Ireland. The NDP 2000–2006 marked a shift from a predominantly sectoral focus towards a more regional one, with an emphasis on balanced regional development as well as an appropriate balance between environment and development (Mullally 2004b). The regional authorities have a statutory role to review and monitor the expenditure undertaken under the NDP. This enables them to ensure that their development needs are met or corrective action is taken when necessary. Likewise, the 'National Spatial Development Plan' aims to foster balanced development to realise economic and social progress that is consistent with environmental considerations. The regions are requested to implement this strategy through regional planning guidelines and local development plans and strategies. Overall, it seems that sustainable development policies in Irish regions are more influenced by the NDP than the Irish NSDS, which may have negative implications for the development of a more coordinated approach at the regional level, based on the overall sustainable development objectives laid out at the nation level.

The prominence of sustainable development in French regions varies enormously. Bertrand *et al.* (2004) have grouped French regions into three stages, according to the progress they have made. First, there are regions that have not yet initiated specific sustainable development procedures. In the second group are regions that are considering sustainable development and ways of practical implementation. The third group consists of 'pioneering' regions that have a track record on being involved in sustainable development issues and have made efforts at policy integration. As Holec (2001: 50) argues, 'how far regions have advanced varies [...] depending on the political support given to the process'. Generally, it seems that the regional sustainable development initiatives in France are very heterogeneous and, by

and large, only weakly linked to the NSDS process developed at the national level.

Structural funds and sustainable development

EU Structural Fund activities are highly relevant for regional policies in Europe. However, the key question here is to what extent they take sustainable development into account, both in rhetoric and in concrete actions. The main objective of the Structural Funds regulations is to reduce disparities in the development of European regions and to promote economic and social cohesion in the EU. This is carried out by a funding scheme which is based on EU and national co-funding. Regions need to draw up regional development plans (RDPs) and programming documents laying out their priority actions over the programming period. The Structural Fund regulations covering the period 2000–2006 included the sustainable development paradigm (Council of the European Communities 1999). This means that the RDPs need to include not only provisions for economic development and social cohesion, but also measures for environmental improvements. There has been a lively discussion among scholars whether the Structural Funds represent a true multi-level governance model (Sutcliffe 2000; Allen 1999; Bache 1998). Bache (1998), for example, pointed out that the member states play a pivotal role in deciding to what extent the sub-national levels can participate in this funding scheme, thus maintaining a 'gate-keeper' role.

As is widely known, Structural and Cohesion Funds, as well as other Community initiatives, such as LEADER and INTERREG, that include mechanisms for advancing integrated rural development and inter-regional cooperation, had an especially strong impact in Ireland. In particular Community initiatives have proved popular in the regions because funding under these schemes is often transferred directly from Brussels, bypassing the gate-keeper role of the central government that is executed in other Structural Fund programmes (Callanan 2002). Overall, Structural Fund regime activities in Ireland have begun to integrate the theme of sustainable development in its rhetoric, although less so in concrete projects (Mullally 2004a).

In the UK, the Structural Funds have initiated a wide variety of projects, from large-scale public works (for example, improved public transport access) to small-scale local initiatives (for example, buildings refurbishment) (McEvoy and Ravetz 2004). The Structural Funds required, and ultimately fostered, institutional capacities and regional strategies, both also aiming at collaborative regional working. However, the programmes in the UK regions are delivered by the Regional Development Agencies without properly taking into account horizontal policy integration. The Sustainable Development Commissions has argued that several Regional Development Agencies do not recognise that 'economic outcomes should be delivered in

such a way that environmental and social inclusion objectives are secured *at the same time*' (SDC 2005: 7). Additionally, the central government in London has been able to exert a 'gate-keeper' role as the Structural Funds allocations for the English regions are administered by the national level.

In Austria, the impact of Structural Funds on regional sustainable development has been weak in terms of concrete sustainable development projects, that is, projects integrating environmental, economic and social issues. The main thrust is economic development in the regions. Project proposals remain driven by economic considerations, largely bypassing environmental concerns. Even the visibility and rhetoric of environmental issues in projects supported by Structural Funds could be increased (Berger and Narodoslawsky 2004). One of the more intriguing impacts of Structural Funds in Austria is in the field of capacity-building. Regional Development Agencies were created as regional administrative units to implement Structural Fund projects. This has had considerable impact on the capacity of regional actors to formulate and implement a variety of projects on their own, including in relation to knowledge, resources and institutional capacities.

In French regions, Structural Fund activities have supported local sustainable development initiatives, such as LA21 plans, the maintenance of natural parks and environmental management. However, the process of integrating sustainable development into Structural Fund programmes and projects is only at an initial stage. The French experience so far shows that Structural Fund activities are a potential lever for sustainable development, which can be applied to a pre-existing context but not as a tool capable of launching a new approach towards regional sustainable development (Bertrand *et al.* 2004).

Overall, the Structural Funds have helped sustainable development to gain more prominence in the RDPs, but 'real' sustainable development projects – that is, project that actually integrate environmental, economic and social issues – are still the exception rather than the rule. However, Structural Funds have influenced the governance structure in the member states and to some extent increased capacity-building in the regions as the experiences in the UK and Austria show (Berger and Narodoslawsky 2004).

Multi-level governance capacities and pathways

Generally, the sub-national levels have important duties and responsibilities in various policy fields, especially regarding implementing policies. In what follows, stakeholder involvement in multi-level governance of sustainable development is reviewed. Such involvement is seen as a key component of 'new' governance.

Austria, with its long tradition as a federal state, is fairly well acquainted with subsidiarity in decision-making processes. However, in terms of multi-level governance and coordinated forms of policy-making, the Austrian political system shows clear signs of hierarchy, that do not allow for an easy

cooperation between the different levels of government and stakeholders (Berger and Narodoslawsky 2004). For example, the implementation of Structural Fund programmes in Austria gave rise to a new institutional form of regional governance in the form of Regional Development Agencies. This brought with it a conflict in policy-making between the existing administrative structures and the initiatives of the Regional Development Agencies. The tension in this relationship was a driving force behind the regions' decision to link up with the European level. Here we are witnessing increasing inter-regional and cross-border cooperation among regional actors, which often bypassed the national level, as evident by the direct relations that have developed between the European and regional levels in the LEADER programme. Therefore, the recently completed evaluation on the implementation of the Austrian NSDS suggested the need

> to improve coordination between national and regional levels [because] broadening the coordination activities [...] would be desirable so as to exploit new synergies and also to stabilise and expand what are in some cases extensive activities conducted at the regional level.
>
> (Carius *et al.* 2005: 5)

The implementation of regional sustainable development in France is largely based on a process of partnership between various stakeholders. The promotion of sustainable development helps to break up the traditional decision-making process at the regional level, mainly due to the permeability and flexibility of the various procedures used, such as partnerships, contractual arrangements and multi-sectoral initiatives. However, as Bertrand *et al.* (2004: 17) argue, 'it seems that sustainable development issues reinforce horizontal governance, i.e. inter-institutional governance between the different actors at the regional level, more than vertical governance'. Another interesting fact is that also in France the Structural Fund regime led to direct relationships between the EU and the French regions, as well as an increased inter-regional collaboration.

Like in France, the Irish regional authorities have become more proactive in their relationship with Europe. Structural Fund programmes have generally contributed to the formation of intra-, inter- and trans-regional networks that support sub-national development initiatives. Additionally, new sets of relationships between the state, trade unions and community groups have developed horizontally at the sub-national levels, as well as vertically between the local and national level (Walsh 2001). Indeed, their experience with Regional Agenda 21 have shown that multi-actor, multi-level coordination framed by higher-level plans and strategies is a pre-condition for the success of regional sustainable development (Mullally 2004b).

The UK is represented by a complex and multi-layered governance system, where relationships and tensions tend to reflect the historical balance of power between the different political levels (McEvoy and Ravetz

2004). With the establishment of the Government Offices for the regions and the Regional Development Agencies there was optimism that this would provide a platform for the development of a strategic approach towards sustainable development. However, 'a lack of consistent leadership at the regional level' (SDC 2005: 6) was identified as one of the major obstacles in the delivery of regional sustainable development. Furthermore, the role of the regional institutions in relation to the promotion of sustainable development is not defined clearly enough and no single body is acting as the lead advocate for delivering sustainable development policies. Generally, the regional institutions need 'to strengthen integration of sustainable development throughout their organisations' (SDC 2005: 6). Finally, as witnessed in the other selected countries, with the introduction of the Structural Funds, the regions became a more central player with the EU (McEvoy and Ravetz 2004).

There are two striking issue that emerge from this study of multi-level governance. First, horizontal policy integration efforts are achieving better results for sustainable development in the regions than vertical policy integration. According to Steurer and Martinuzzi,

> horizontal integration is well on its way (at least in the administrative branch of government), vertical integration is often either weak or nonexistent. Asked about what worked well in a country's NSDS process, seven out of eighteen respondents of the survey [among national NSDS coordinators] indicated horizontal collaboration and only one (Switzerland) indicated vertical collaboration [...] This of course does not mean that the concept of sustainable development is ignored by regional or municipal authorities. The lack of vertical policy integration implies that these activities are not systematically synchronised with the targets and activities of higher political authorities. Consequently, they are also not effectively coordinated with each other.
>
> (Steurer and Martinuzzi 2005: 462)

The second finding to merge is that, although most national governments and regions strive for improved vertical integration of policies, regions are increasingly bypassing the national level, in particular in terms of their engagement with the Structural Fund regime, but also in relation to the development of inter-regional collaborations.

Conclusions

This chapter analysed the implications of NSDSs for the regional level in selected EU member states. This concluding section reflects upon the three research questions set out at the beginning: (1) what are the implication of NSSDs for (new) sustainable development governance at the regional level?; (2) To what extent NSDS perpetuate traditional patterns of environmental

policy or follow new instruments and pathways?; and (3) what are the implication of NSDSs for the 'steering role' of the nation states?

As the analysis shows, the NSDSs of the four selected EU member states refer to the regions as an important level for the implementation of sustainable development. The sustainable development policy priorities outlined for the regions in the strategies express national desires to strengthen horizontal policy integration. Although a recent European Commission report (European Commission 2004) pointed to an insufficient linkage between the three pillars of sustainable development, the integration efforts described in the NSDSs do suggest a shift in focus towards integrated sustainable development policy-making instead of a continuation with traditional environmental management. Moreover, new environmental policy instruments feature prominently in the NSDSs. However, this shift towards horizontally integrated sustainable development policies and the outline of new environmental policy instruments is not matched by the identification of concrete policy tools/instruments and implementation mechanisms that could be used by the regional level in order to achieve vertical policy integration. In short, the move from policy generation to implementation is still blocked.

Other strategic planning documents, like national development plans, planning guidelines or Structural Fund programme, often prove to be more important at the regional level for vertical policy integration. NSDSs provide only general references to the need for stronger participation of stakeholders. Furthermore, they provide only vague hints about how to build sustainable development governance capacities in the regions. Although many regions in the four selected countries seem to lack in-depth knowledge, financial resources and institutional capacities for achieving sustainable development, these critical regional capacities are hardly addressed in the NSDSs.

An important impact of the Structural Fund programmes is that they increased the capacities at the regional level. They particularly fostered the establishment of institutional know-how and the development of new skills for the implementation of projects in the regions. This has also led to an increase in horizontal collaboration between regional stakeholders, which seems to bring better results than vertical collaboration. Additionally, there is a general tendency in the regions, often triggered by the Structural Funds, to establish inter-regional and cross-border regional collaborations, as well as direct contacts with the EU. However, even though Structural Funds now include sustainable development objectives and have upgraded sustainable development as a horizontal theme, the majority of the programmes and projects under the Structural Fund regime are concerned with economic development and social cohesion. Genuine sustainable development projects, that involve the integration of environmental, economic and social issues, are still the exception rather than the rule in European regions.

One can conclude that NSDSs are potentially important steering tools for

nation states to coordinate policy-making processes horizontally and vertically. However, as steering tools for vertical policy integration, NSDSs have severe shortcomings. The NSDSs do not say much about new multi-level and regional sustainable development governance arrangements. They offer concrete policy priorities for sustainable development but fail to outline policy tools/instruments and implementation mechanisms for the regional level. Therefore, a general move towards vertical policy integration triggered by NSDSs cannot be witnessed. The picture of a rather weak role of the state in regional sustainable development governance is confirmed by the fact that it is often bypassed by EU initiatives, such as the Structural Fund programme. Faced with NSDSs that are hardly getting through to the regional level, and the concrete impacts of a powerful EU funding scheme not primarily aiming at sustainable development, it can be argued that to fully understand regional sustainable development governance we need to study both horizontal and vertical policy integration within the EU multi-level governance system.

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2 Economic instruments and the promotion of sustainable development

Governance experiences in key European states

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Introduction

This chapter explores central government-funded programmes within selected EU member states aimed at the promotion of sustainable development at the sub-national level. It presents the results of research undertaken from 2002 to 2005 and funded by the Swedish Environmental Protection Agency (Eckerberg *et al.* 2005). Interest was confined to initiatives that had an explicit aim of promoting sustainable development. These initiatives are important as they signal a shift from declaratory intent to actual policy commitment. The research aims at portraying an initial picture of the emerging agenda of sustainable development – what sustainable development is understood to mean in policy practice and which societal actors become engaged in its implementation.

A considerable amount of research and policy attention is currently focused on the use of 'new' instruments in environmental policy. The use of these market-based instruments, in particular environmental taxes, tradable permits and voluntary agreements, is designed to influence environmental outcomes by changing the cost and benefits of alternative actions. They aim to make the environmentally preferred action financially more attractive (Clinch and Gooch 2007). Although the idea of using such tools is not new, recent years have seen a considerable growth in the political demand for, and use of, these 'new environmental policy instruments' (NEPIs) (Jordan *et al.* 2003). Such market instruments are typically regarded as being more flexible and efficient than traditional 'command and control' regulation. As such, they form part of government efforts to create a sense of partnership and shared responsibility for the promotion of sustainable development. In this context, their use is considered a product of, and simultaneously promoting, the emergence of new forms of governance, as discussed in the Introduction to this volume.

The focus of attention on NEPIs has, we argued, led to a neglect of the

role of more traditional economic instruments. Typically, NEPIs are contrasted with traditional command and control regulation, although traditional economic instruments continue to be in widespread use. Despite this, little attention has been given to the potential for traditional economic instruments to act as tools in the promotion of sustainable development. This chapter analyses the use of traditional economic instruments in selected EU member states, to ascertain whether and to what extent these instruments act as important policy aids for states in their pursuit of sustainable development. The chapter also explores whether, and in what ways, the continued and widespread use of such economic instruments is related to the emergence of new governance.

Economic instruments may be either punitive or rewarding (Jacobs 1995). The punitive types, such as taxes, charges, levies and fines, are commonly debated, particularly in the literature exploring new instruments for environmental policy. Rewarding economic instruments (such as grants, soft loans, subsidies and tax allowances) receive less attention, but are in fact in greater use among OECD countries (European Environment Agency 2004). These rewarding economic instruments form the focus of attention in this chapter.

While seeking to compensate environmentally appropriate behaviour, rewarding instruments have two, sometimes competing, goals. First, they can be designed to complement legal instruments, for example, to ensure implementation of mandatory tasks. Typically, this investment aims at facilitating or improving implementation of *central* government policy. Second, government investment programmes can direct funding towards capacity building and innovation. Capacity building, in turn, is often directed at Local Authorities, while innovation is typically seen as residing within the private sector. Here a more flexible approach is adopted, which places greater emphasis on communication with groups targeted for funding and ensuring that funding criteria allow for varying initiatives, depending on local circumstances and priorities. They can also offer greater choice in how local actors respond to environmental tasks, as compared with traditional regulation. Rewarding economic instruments can encourage, for example, the development and adoption of environmentally friendly technologies or foster competition by helping companies that employ, or sell, such technologies. They can also have redistributive goals, such as promoting regional development, social equality and creating 'green' employment. Furthermore, investments may be geared towards developing or enhancing basic infrastructure that helps promote environmentally friendly behaviour, such as cycle paths, public transport or recycling facilities.

These two forms of rewarding economic instruments imply different patterns of governance. The first relies heavily on central government as the key steering agent for the investment programme. Here the role of central government is to spur on local government and non-government actors, such as firms, to implement centrally defined goals, typically of a regulatory

nature. The second form can be characterised as a deliberative process, involving various forms of governance procedures. These include a more participatory, less reactive role for the sub-national levels of government and for business and non-government organisations. This can extend to the construction of public/private partnerships. This multi-level, multi-actor engagement is often directed at more diffuse tasks than those related to regulatory compliance.

Thus, central government funded initiatives can be seen, on one hand, as traditional governing tools, while, on the other, they can have new governance impact, drawing in a range of public and private actors, across different levels of government, in more diffuse and less regulatory oriented tasks. Thus, central government-funded programmes are of direct interest to the themes of this book. Exploring the multi-faceted nature of economic instruments, such as government investment programmes, brings us directly to the respective roles of, and relationship between, on the one hand, traditional governing methods and, on the other, the new methods of governance that are emerging among European states as they engage with the promotion of sustainable development.

Empirical focus

Our research identified six programmes in five EU Member states that were concerned with the operationalisation of national sustainable development frameworks at the sub-national levels through major economic investments programmes (Eckerberg *et al.* 2005). Five of the initiatives were in leader environmental states, namely Sweden, Germany, Netherlands and Denmark. Research also identified an interesting public–private collaboration in the UK, using a novel funding source and presenting a highly developed understanding of (aspects of) sustainable development, and for these two reasons it was included in the analysis.

The objectives, criteria for funding and target group(s) of each of these initiatives were examined. The research identified who was eligible for funding and to what extent they engaged different levels of government and non-government actors. Whether initiatives included the three pillars of sustainable development, that is, the social, economic and environmental aspects, was also investigated. Having presented a summary of these empirical findings, this chapter analyses their significance for our understanding of the relationship between traditional forms of central government steering and the emergence of new governance patterns in the promotion of sustainable development.

Funding sustainable development in Sweden

The Swedish central government launched the *Lokala Investeringsprogrammet för Ekologiskt Hållbar Utveckling* (LIP) (1998–2003) in 1998. It built on a

Table 2.1 Government investment programmes for promoting sub-national sustainable development

Country and name of initiative	Period	Programme costs	Target group(s)
Sweden Local Investment Programme for Ecological Sustainability (LIP)	1998–2003	6.200 million SEK (≈ €670 million)	Municipalities and local partners
Netherlands *Vervolgbijdrageregeling Ontwikkeling Gemeentelijk Milieubeleid* (VOGM)	1995–1997	270 million Dutch Guilders (≈ €122 million)	Municipalities only
Netherlands *Gemeenschappelijk Initiatief Realisatie Duurzame Ontwikkeling* (GIDO)	1998+	3.3 million Dutch Guilders (≈ €1.5 million)	Open to all
Denmark *Den Grønne Jobpulje* (The Green Job Fund)	1997–2002	265 million DKK up to 2000 (≈ €35 million)	Public institutions, municipalities and business
Germany *Deutsche Bundesstiftung Umwelt* (DBU) (German Federal Donation for Environment)	1990+	€1.3 billion	Focus on SMEs but also public institutions
UK The New Opportunities Fund of the UK National Lottery	1998+	£2 billion (≈ €2.800 million)	Open to all, local authorities main recipients

long tradition of Swedish central government environmental funding, beginning in the 1950s with a programme addressing waste-water treatment, targeting energy savings and renewable energy in the 1970s, and recycling, Local Agenda 21 and green jobs in the early 1990s (Hanberger *et al.* 2002: 8ff.). The purpose of LIP was to improve ecological efficiency at the local level, while at the same time providing jobs (Government of Sweden 1997/98). In this sense, it resembles the Danish Green Job Fund, initiated at the same time, as discussed below. LIP originated from within the leadership of the Social-Democratic Party, which was then in power. The Left and the Green Party however, also supported it, as it was seen as part of the wider *Sustainable Sweden* programme (Government of Sweden 2000).

LIP was by far the largest initiative within the Sustainable Sweden programme. It allocated SEK 6.2 billion to 211 local programmes, which, when local matched funding was added, amounted to an investment of around SEK 27.3 billion. These local programmes contained 1,814 environmental measures, spread across 161 municipalities, representing over half of Sweden's Local Authorities. The substantial amounts of funding involved gave clear political signals about the importance attached to the promotion of sustainable development at the local level in Sweden (Baker and Eckerberg 2007).

Until 2002, LIP was managed directly by the Ministry of Environment, although in Sweden such programmes would normally be managed by a government agency (Lundqvist 2001). This gave the programme more flexibility, while also opening up opportunities for dialogue with Local Authorities in setting funding priorities.

At the time LIP was introduced, high unemployment rates and budget deficits had brought cuts in public spending within municipalities (Eckerberg and Dahlgren 2005: 48). As a result, many municipal authorities were experiencing difficulties meeting their welfare and environmental goals. In this context, the claim that LIP could provide both ecological sustainable development *and* create new jobs helped ensure political support for introducing such a large-scale government investment programme. In addition, it was hoped that LIP would support new and innovative ways of thinking, which would, in turn, spill over to local businesses and non-government organisations. This would help create favourable conditions for new governance partnerships in pursuit of ecological conversion.

In particular, LIP was geared towards seven environmental objectives (Swedish Ordinance 1998: 23; Swedish Ordinance 2000: 735): reducing environmental loading; increasing efficiency in the use of energy and natural resources; promoting use of renewable forms of energy; increasing re-use and recycling; supporting biological diversity and cultural heritage; improving circulation of nutrients in ecocycles; and improving indoor environment in buildings. Undertaking concerted environmental measures based on these seven objectives was understood to 'strengthen (positive) environmental effects and improve ecological sustainability' (Government of Sweden 2000). LIP has had some success in meeting these objectives, particularly in relation

to reducing emissions levels (Kåberger and Jürgensen 2005: 48), conversion to renewable energy sources, energy savings and waste reductions (Wandén 2005: 18–20). However, through its emphasis on material environmental objectives, LIP primarily promoted ecological modernisation rather than a wider understanding of sustainable development. Here, LIP is similar to the German DBU, as discussed below. Both tended to support measures that require investments in physical infrastructure, rather than measures that focus on the 'softer' side of the sustainable development agenda, such as those that target value systems and lifestyle. In Sweden, this narrow focus prevailed despite the broader sustainable development approach embedded in other initiatives of the time, including LA21, the environmental code and the work on regional development and growth agreements (Eckerberg and Dahlgren 2005).

In relation to whether LIP paved the way for new governance methods, research revealed that LIP supported very few activities that drew in actors outside those of government. Only 14 per cent of all LIP measures were led by business, and the remainder was led by the municipality itself or by municipal subsidiaries (Marell and Wahlström 2005: 67). Companies built on already existing cooperation, and only a limited number of new partnership relations were created. Furthermore, collaboration with business tended to last only for the life span of whatever measures received funding (Marell and Wahlström 2005: 80). Involvement of NGOs and local citizens also remained very limited (Berglund and Hanberger 2003: 55), mainly confined to measures with low technical content and to supporting administration, awareness raising and communication. Some of the building and housing projects also attracted citizen engagement. In all, however, only 5 per cent of all measures were headed by NGOs (Hanberger *et al.* 2002: 97). As we will see, low citizen participation is common also for the other funding initiatives investigated, with the sole exception of the Dutch GIDO.

The difficulties that businesses and NGOs had in participating in LIP were partly a result of poor communication networks between them and the government, both at the national and local levels. The regional level, that is, the County Administration, was largely bypassed during the early days of LIP, but over time, it acquired a consultative and meditating role between the Ministry and the Local Authorities. However, NGOs were marginal at this level. The limited involvement of business and NGOs can also be related to the nature of the grant scheme itself. To qualify for funding, municipalities had to present a comprehensive analysis of their local environmental problems and conditions, and show how proposed projects were designed to address them. The municipalities coordinated local actors both in the application and implementation stages. This meant that municipal authorities retained overall control and were held responsible to central government for the implementation and monitoring of all measures funded under the Programme. In short, LIP actions relied largely on public authorities and LIP had only a limited impact on the creation of new governance partnerships.

Nevertheless, LIP proved successful in enhancing local environmental activities and in encouraging shared responsibility across the different tiers of government. However, this was more pronounced in larger, and better resourced, municipalities that were already engaged in LA21. LIP, however, did little to enhance co-operation across municipalities, or to increase citizen participation. Nevertheless, the LIP initiative remains of deep symbolic importance, not least because of the sheer size of the investment funds, the large number of local programmes that it supported and, last but not least, the political prestige attached to its location directly within the Ministry. These factors helped LIP to keep sustainable development on the policy agenda in Sweden, even in those municipalities not granted funding under the scheme (Forsberg 2005: 21).

Funding sustainable development in the Netherlands

The Dutch central government has funded several environmental initiatives aimed at implementation deficits, especially following the sharp rise in the environmental responsibilities of local government during the 1990s (see also Coenen, Chapter 8 in this volume). These initiatives were closely linked with the country's highly developed environmental planning tradition. The First National Environmental Policy Plan (NEPP-1) (1989), which forms the cornerstone of Dutch environmental policy, is exemplary in planning for sustainable development, giving the Netherlands environmental leader status among the EU member states and globally.

The *Bijdragenbesluit Uitvoering Gemeentelijk Milieubeleid* (BUGM), 1990–1994 is a prime example of central government funding schemes (Minister van Volkhuisvesting 1990). BUGM was designed to help municipalities implement the 1993 Environmental Management Act. Following the success of BUGM, the Ministry launched the so-called *Vervolgbij-drageregeling Ontwikkeling Gemeentelijk Milieubeleid* (VOGM) (94 million guilders annually) to help municipalities implement their obligations, as set out in the NEPPs (Minister van Volkhuisvesting 1995). VOGM was designed to help operationalise the county's strong commitment to the promotion of sustainable development (Baker 2005).

Under VOGM, municipalities were to prioritise certain 'actions points' in the NEPPs, including LA21, sustainable building projects, local mobility plans, nature protection and education. Funding was also designed to enhance co-operation between municipalities (Baker 2005). Over 150 municipalities chose LA21 as a specific VOGM task, which helped to diffuse LA21 norms throughout the Netherlands (Coenen n.d.). However, VOGM proved less successful in stimulating inter-municipal co-operation, even though such co-operation is central to Dutch environmental planning.

Despite focusing on LA21 in particular, VOGM was based on a traditional 'command and control' approach towards environmental management. It played a major role in helping municipalities reach NEPP

implementation targets and fulfil mandatory environmental tasks (Inspectie Milieuhygiëne 1997, 1998, 1999; PriceWaterhouseCoopers 1999; Coenen 2000; Baker 2005). While the 'command and control' approach proved to be quite effective in dealing with the most obvious pollution problems in the Netherlands, central government remained the key steering agent. This did little to encourage acceptance of shared, environmental responsibility among stakeholder and local and regional government (Keijzers 2000).

VOGM was introduced at a time when more diffuse tasks, such as engaging in LA21, increased the scope for autonomous behaviour at the municipal level. This change took place alongside, and indeed may have contributed to, the development of a more open style of environmental management and planning (see also Coenen, Chapter 8 in this volume). This emphasised co-operation, negotiation, facilitation and deliberation, and was particularly directed at clusters of more or less homogeneous polluters, the so-called 'target groups'. In short, environmental policy was influenced by the use of interactive policy-making, which eventually led to a focus on *bestuurlijke vernieuwing*, or political renewal, that is, the reactivation of political engagement across all levels of government and within society (Kickert *et al.* 1997). This new approach questions whether a national enforcement structure can be realised and whether all regions need to respond in the same way at the institutional, administrative and policy levels. In short, VOGM was introduced at a time which saw moves towards the 'dehierarchisation' of political and policy structures in the Netherlands. Despite this, the programme adopted a traditional, top-down approach towards the promotion of sustainable development, building upon the success of previous, but no longer valid approaches (Baker 2005). As a result, both the BUGM and VOGM schemes, because they enhance central steering, can be seen as being at odds with emerging principles of Dutch environmental planning.

The new way of thinking about how to promote sustainable development is encapsulated in the *Gemeenschappelijk Initiatief Realisatie Duurzame Ontwikkeling* (GIDO) initiative. GIDO provides an excellent example of local partnership initiatives directed toward concrete projects aimed at the promotion of sustainable development. GIDO is a small *Stichting*, or foundation, established in 1998 by a group of civil servants, mostly involved in environmental management at the local level, some local council members, and private individuals drawn from social groups, business and academia. GIDO places emphasis on inter-active, participatory policy-making, working within municipalities to help define locally based, sustainable development projects (Baker 2005).

GIDO aims 'to make sustainability concrete at the local level' (GIDO 2002). It aims to build upon the expertise of Local Authorities, seen as having a more integrated policy vision than the highly specialised branches of national government, which produce fractured approaches. Also underlying the GIDO initiative is the belief that participation is easier to achieve at the local level, and it facilitates citizens to take shared responsibility for

environmental management. It is also highly critical of the narrow and inflexible approach embodied in schemes such as VOGM and BUGM (Baker 2005).

GIDO operates by focusing on people's *use* of a local area, promoting 'sustainable liveability'. There is strong emphasis on facilitating communities to find collective solution to concrete problems (Baker 2005). This recognises that, within a particular area, there are a variety of public and private interests and an equally varied number of public sector policies and management strategies. Considering these is central to the sustainable use of an area, and points to the importance of promoting sustainable development through environmental policy integration (Baker 2005).

A particularly innovative aspect of GIDO's work is the formation of 'regional learning circles' (GIDO 2004). These bring together municipalities and stakeholders from several municipalities for exchange of information and best practice. This horizontal learning mechanism is very much in keeping with decentralisation trends in Dutch environmental policy management.

Funding sustainable development in Denmark

Like the Netherlands, Denmark has introduced several, large environmental subsidy programmes, particularly in relation to cleaner technology, beginning as early as 1986 (Remmen 1995). Denmark was an early pioneer in the adoption of environmental management strategies and measures, adopting a flexible, interactive approach that seeks to pass responsibility and policy initiatives from the public to the private sector (Remmen 1995). This complements the strong Danish tradition of participatory democracy (Christiansen 1996) and shares much in common with the contemporary Dutch approach.

Den Grønne Jobpulje (1997–2000) (The Green Job Pool), was a major initiative for the promotion of sustainable development in Denmark. Like the Swedish LIP, it funded innovative projects to create green employment at the *local* level. The scheme had a strong emphasis on small scale, grass-roots initiatives (Den Grønne Jobpulje 2001; Baker 2005). This was in keeping with the Danish tradition of emphasising the grass roots levels, including local entrepreneurship, as engines of change (Christiansen and Lundqvist 1996; Jamison and Baark 1999). Danish civic traditions, combined with its decentralised public administration, were served well within *Den Grønne Jobpulje*.

The launch of *Den Grønne Jobpulje* owed much to the prevalence at the time of LA21 initiatives (Baker 2005). LA21 was well advanced in Denmark, building upon an environmental movement characterised by local experiments and life style changes (Jamison and Baark 1999; Andersen *et al.* 1998). *Den Grønne Jobpulje* was seen as a way in which LA21 visions could be translated into employment creating environmental projects (Danish Min-

istry for the Environment and Energy 2001; Den Grønne Jobpulje 2001). It was to act as a complement to an existing scheme, *Den Grønne Fond* (The Green Fund), which funded over 100 local, full-time-employed Green Guides who acted as catalysts for LA21. The same officials who managed *Den Grønne Fond* administered *Den Grønne Jobpulje*. Administrators used an open, friendly management style (Baker 2005).

Den Grønne Jobpulje, as far as it aimed to create 'green' employment by supporting innovative projects, had much in common with the Swedish LIP. Initially, the programme had a broad focus, but following a mid-term evaluation, government set more precise funding criteria (CASA 2000; Baker 2005). This reflected the desire to tie the instrument more closely into government policies and priorities (Clement and Hansen 2002). The changes also strengthened the social aspects of the scheme, allowing it to contribute to all three pillars of sustainable development (Baker 2005).

Den Grønne Jobpulje is generally regarded as a funding success story (CASA 2000; 2002). In all, it granted subsidies to 574 projects, amounting to just over DKK 265 million. The major of these (60 per cent) were from the private sector, mostly from within small-scale local organisations and businesses (CASA 2002; Den Grønne Jobpulje 2001). While not primarily directed at the public sector, municipalities were able to apply for funding under *Den Grønne Jobpulje*. However, they could not receive funding for statutory environmental tasks, making it difficult for them to benefit from the scheme (Baker 2005). The scheme resulted in a thousand, full-time, green jobs, mostly in private-sector SMEs, many of which would not have been created otherwise. In addition, the level of subsidies per job was relatively modest. It also had a multiplier effect, creating down-stream jobs. However, there is strong evidence to suggest that the employment criteria may have overshadowed the environmental dimensions of the scheme (CASA 2000, 2001, 2002).

Den Grønne Jobpulje was withdrawn when the Liberal and Conservative coalition took office in 2001. One explanation for this is that the scheme was closely linked to LA21, indirectly through its administrative association with the Green Fund and directly through its focus on local, grass-roots environmental initiatives. By the time the new government came to power, the spirit of LA21 had somewhat waned in Denmark (Baker 2005). More generally, the demise of the *Den Grønne Jobpulje* can be attributed to the steady enhancement of the role of central government in Denmark, particularly in the environmental policy arena. The deepening role of central government is also a response to concerns that local authorities tend to give priority to economic activity over environmental protection (Baker 2005). Thus, while *Den Grønne Jobpulje* fitted with long-standing belief in the importance of bottom-up, locally oriented approaches towards the promotion of sustainable development, the approach is increasingly under pressure in Denmark.

Nevertheless, despite its demise, *Den Grønne Jobpulje* played an important role in showing that job creation and environment protection measures are

compatible aims of policy. In addition, it supports the argument that promoting ecological modernisation (for example, getting new green products to the market) can bring long-term environmental benefit. The scheme also demonstrated that grass-roots organisations can be the repository of feasible, realisable innovation. Furthermore, it provides an example of central government's successful collaboration with *local* entrepreneurs. This lends credence to the argument that traditional methods of governing, such as the use of a traditional economic 'rewarding' instrument, can successfully combine with new forms of governance to shaping a sustainable future.

Funding sustainable development in Germany

Initially, the study of central government-funded initiatives in Germany proved rather problematic, as there is a widespread tendency for grants to support 'end-of-pipe' infrastructure, such as sewage and waste disposal. There is little evidence of federal programmes aimed at promoting sustainable development at the sub-federal level. In addition, many environmental functions that are supported by central government tend to be in the form of loans. Furthermore, while Germany has a highly complex regulatory system for environmental management, a key role is assigned to voluntary agreements and there is generally a close relation between polluters and the regulatory authorities. This is combined with minimal use of economic instruments (OECD 2001: 19). The fact that Germany is a federal state also explains the lack of case material on central government funded investment initiatives targeted at the local level (see Chapter 5 in this volume). As a federal state, the power to determine environmental policy is divided among the federal, state (*Länder*) and local authorities. Almost all states have their own Ministry and their own legislative framework and funds. Thus, much of the German activity did not fit the criteria for inclusion in the research, which investigated centrally funded, government investment programmes aimed at the promotion of sustainable development at the local level.

However, the research identified a very interesting and, as it turned out, important national foundation that promotes sustainable development at the sub-federal level in Germany – the *Deutsche Bundesstiftung Umwelt* (DBU). Although not strictly speaking a central government initiative, in the sense that it operates as a foundation, it was chosen for several reasons. First, it is listed in the REGIONET National Report as one of the main federal initiatives dealing with sustainable development (Nischwitz *et al.* 2003). Second, among the many initiatives listed in the Report, it was the only one with a general sustainable development focus. Third, it is a long-standing initiative that has sponsored a large number of projects. Fourth, it shared two characteristics in common with another of the case studies, the UK Lottery. Like the Lottery, the DBU is a (semi-)private organisation distributing government funds to promote sustainable development. In common with the UK Lottery, another of our case studies, it operates with a very large

budget and sponsors a diverse range of significant programmes. Like the UK Lottery fund, not much is known about the DBU, and even less so outside of Germany. Fifth, the DBU makes an interesting comparison with the Dutch GIDO initiative, as both are foundations receiving public funding, but acting as private sector organisations.

Established in 1990, the DBU claims to be the world's biggest environmental foundation, placing itself on a similar scale to the WWF (Baker 2005). It was established with an initial capital of 2.5 billion DM (€1.3 billion) from the privatisation of the steel group, Salzgitter plc, owned by the Federal government. Annual profits from the initial capital are used to support innovative environmental projects. Since 1991, the Foundation has distributed €1 billion to fund almost 5,500 such projects. As a (quasi-) autonomous body, the DBU can overcome some problems federal systems have in using federal funds to support state-level initiatives. Here, funding has to be large enough to cover all states and to do so equally, while at the same time risk being interpreted as interference with the legitimate and, in many cases, exclusive competence of the state level. The DBU has escaped these problems.

While the DBU can be compared to the better-known-German Volkswagen Foundation, it remains unique. It is the only environmental foundation founded by the federal state, a fact that makes the staff rather proud (Baker 2005). Although its work is not subject to direct political pressure, there appears to be a very close relationship between the Ministry of the Environment and the DBU, a relationship that has helped counterbalance the weakened state of the Ministry following reunification (Baker 2005). In turn, its relationship with the Ministry has enhanced the position of the DBU within the German environmental policy arena. In contrast to its positive relationship with the Ministry, there appears to be some rivalry between the DBU and the Federal Environmental Agency, which has intensified with Agency budgetary cuts following German reunification.

The DBU is obliged to 'promote activities geared towards the protection of the environment, devoting special attention to small and medium size enterprises' (Foundation Law 1990: §2 in Stockmann *et al.* 2001, *own translation*). Its overall aim is to help the integration of environmental protection measures into production within small and medium enterprises (SMEs). Funding priorities are divided into chapters (*Förderleitlinie*). In addition, several 'priority themes' or 'special programmes' (*Förderschwerpunkte* or *Sonderprogramme*) have, from time to time, been introduced. These include, for example, environmental consultancy services for the new federal states following reunification, funding to support the use of wood as construction material and funding for the development of biotechnology (DBU 2001).

Funding is dependent on the contribution a project can make to reducing environmental degradation. However, unlike the UK Lottery Fund, there is considerable scope for initiatives stemming from applicants themselves. The DBU is also flexible in its application process. This is because they believe

that SMEs find it hard to compete for grants that require complex application forms (DBU 2001). This stands in marked contrast to the complex and rather daunting application process of the UK NOF, discussed below. In terms of funding, projects tend to be relatively small (Baker 2005).

In the initial period of DBU operations, the term 'sustainability', while much in use, referred merely to the permanency of programme effects. It was not until the revision of the 'guidelines of support' in September 1998 that sustainable development, understood in the more usual sense, was used as a central guiding principle (DBU n.d.). Here, sustainable development requires three key steps: (1) minimising consumption rates of natural resources through improvements in resource use; (2) preventing the consumption rates of renewable resources from exceeding their rate of reproduction; (3) preventing emissions from exceeding the regeneration and absorption capacity of environmental media (DBU 2001 DBU www.dbu.de/364.html (accessed January 2008)). This interpretation is closer to that of ecological modernisation, rather than sustainable development.

The state level appears to have no role in the operations of the DBU, or its projects. However, the role of municipalities varies from programme to programme, as does the involvement of community groups, the public sector and other actors. The focus of attention on SMEs (in particular environmental technology firms) has also been at the expense of the engagement of civil society groups, including trade unions.

While SMEs represent the main target group of the DBU, the Foundation nonetheless aims to increase understanding and acceptance of the guiding principle of sustainable development at the local level. To this end, in 1998 the DBU created a new priority topic, 'Information about and Implementation of Sustainability at the Local Level' (DBU 2001, *own translation*). Municipalities are included among the target group for this activity, especially given their role in LA21. However, while the DBU did initially fund LA21 activity, this seems to have waned, in line with the general decline in enthusiasm for LA21 in Germany (Baker 2005).

Funding sustainable development in the UK

In contrast to the Dutch, Swedish and Danish approaches, direct central government funding for sustainable development is not in keeping with 'new public management' strategies adopted in Britain since the 1980s. The coming to power of Margaret Thatcher in 1979 heralded the start of a long period of neo-liberal policy, with strong emphasis on deregulation in all policy fields. There was also a move away from government provision of public services to provision from the private and voluntary sectors. This 'new public management' approach to governance reduced the power of local authorities to provide strategic direction to local public services. In this context, it is no surprise to find that UK funding for the promotion of sustainable development reflects the importance given to the private and volun-

tary sectors. However, the source of funding is surprisingly novel, with the UK National Lottery Fund a major sponsor of environmental projects and playing a major role in funding the promotion of sustainable development in the UK. This fact is not generally recognised either abroad or in the UK itself.

The introduction of state-sponsored gambling is often accompanied by spending on 'good causes' (Pickernell *et al.* 2004). The UK National Lottery spends around 28 per cent of its revenue on such causes. As a result, the Lottery has been able to make large sums of money available for major, nationally important, demonstration projects, including within the environmental arena. The New Opportunities Fund (NOF) of the National Lottery is particularly interesting from an environmental perspective. The NOF was created in 1998 to distribute grants for health, education and environment initiatives. In 2005, the NOF was merged with other Funds into a new body, the Big Lottery Fund. It is a public body 'sponsored' by the Department for Culture, Media and Sport (DCMS). The NOF receives about one-third of Lottery resources going to 'good causes'.

The NOF funds several types of Initiatives in England and Wales, including the Transforming Communities Initiatives. Within these, there are several programmes, each of which can in turn fund a wide range of projects. Included within the Transforming Communities Initiatives are the Green Spaces and Sustainable Communities, the Transforming Waste, the Transforming Your Space and the Renewable Energy Projects programmes.

The 'Green Spaces and Sustainable Communities' programme was the first NOF environmental programmes. It is designed to improve the quality of life for people and communities, encourage community participation and complement government strategies (NOF n.d.). It represents a major government investment in the environmental sector (Baker 2005). It exhibits a highly developed understanding of the social dimension of sustainable development. In particular it makes clear links between the creation of 'green spaces', such as parks and play areas, and the promotion of social inclusion and community cohesion (Baker 2005). In this sense, it forms part of the enhancement of social capital, discussed by Evans *et al.* in Chapter 3 of this volume. However, the programme is weak on the environmental and economic aspects of sustainable development. The understanding of sustainable development is limited to the social and environmental pillars, with only a minority pursuing the economic pillar. Within that, the environmental aspects are narrowly understood and poorly applied (Baker and Millward 2003). This emphasis on the social pillar of sustainable development is in contrast to that found in Sweden and Germany, where strong emphasis on the economic aspects of sustainable development (ecological modernisation) often outweighs consideration of the social dimensions.

The skewed treatment of the three pillars of sustainable development can be explained, at least in part, by the lack of direction from the NOF on the broader meaning of sustainable development. It was not until 2003 that the

NOF published *Taking forward Sustainable Development: A Policy Statement* (NOF 2003). This commits the NOF to promote sustainable development as a grant giver by investing in programmes that specifically support sustainable development principles. It also commits the NOF to working with other local and regional initiatives to help create and maintain sustainable communities (NOF 2003). However, the NOF has been slow to apply this commitment in practice (Baker 2005).

The strong focus on the social pillar of sustainable development may also reflect the expertise of the Award Partners. Award Partners are composed of groups, including from the private, voluntary and local government sectors, that come together specifically to distribute grants. This is in keeping with the UK 'new public management' principles. Many of the Award Partners have more experience in dealing with social exclusion and poverty, particularly of children and the elderly. These findings are also in keeping with the direction of central government steering, which has tended to prioritise the social aspects of the 'good causes' stream. The advantage is that such steering creates strong synergy between central government priorities and funding allocation. However, having spending tied too tightly to government priorities can reduce the potential of the Lottery to support bottom-up, locally generated innovation. In this sense, the NOF differs sharply from the Danish and Dutch initiatives. More generally, it also means that NOF spending reflects the low priority given to environmental considerations in the present-day UK. This is consistent with the lack of dedicated attention to the formulation and implementation of a sustainable development strategy, as witnessed by the reluctance to set national environmental standards. In addition, the perceived wisdom and established practices of Award Partners can act as a barrier to the funding of innovative ideas. Award Partners tend to fund few, but large, projects, which can hamper the participation of small, local groups. In turn, locally based, more informal groups are less likely to have the expertise to administer large scale projects. The sheer scale of the size of project funding had made Local Authorities and well-established charities and community organisations the main recipients of funds.

The NOF has also seen limited bottom-up civic engagement, which is in keeping with the fact that, unlike the other countries discussed in this chapter, the UK does not have a strong tradition of public participation in policy-making (Foley and Martin 2000; Lowndes and Wilson 2001). While the British Local Government Act of 1999 introduced an obligation for broad consultation and community involvement, this has proved difficult to implement in practice (Akkerman *et al.* 2004). The experience with the distribution of Lottery Fund proves to be no exception, where most schemes introduced under the NOF have proved to be top-down, at the project development stage, with a subsequent, but slow, drawing in of the wider community. Local Authorities have had, in many instances, to over-rely upon a limited number of selected groups to help in programme delivery,

with a tendency to target previous grant holders for repeat grants. In this context, there is a danger that using a top-down initiative to enhance community inclusion can result in a negative perception of participation, particularly where traditions of participation are already weak.

Analysis of research findings

In this section, the research findings are compared, both in relation to how sustainable development is understood in our case studies, and in relation to whether sustainable development has been promoted using traditional methods of governing or through the use of new governance practices.

Sustainable development

The Dutch BUGM and, to a lesser extent, VOGM initiatives were driven by a narrow, legislative approach towards promoting sustainable development. Emphasis was placed on ensuring that local government reached *national* sustainable development targets, as articulated in the NEPPs. These were primarily concerned with reaching ecological targets, while the social and economic pillars of sustainable development were not stressed. A very similar approach was found with LIP in Sweden, where ecological goals dominated. The current focus in the Netherlands, however, as evident in GIDO, is on people's *use* of a local area, where the interrelationships between all three pillars of sustainable development are increasingly stressed. In contrast to the Dutch case, the dual focus in the Danish initiative on environment and employment helped to link the economic, social and environmental pillars of sustainable development from the onset. Its success supports the argument that job creation and environment protection measures are compatible aims of policy.

The UK case proved to be the exception, given the highly developed understanding of the social pillar of sustainable development (social inclusion, community involvement) within the NOF. More typically, however, we have found that the strong emphasis on the economic aspects of sustainable development (ecological modernisation) often outweighs consideration of the social dimensions. In the UK, while there is also a clear focus on the local level as a site for promoting sustainable development, this was not matched by strong participatory practices. In sharp contrast to the UK understanding of sustainable development, the DBU has an ecologically orientated approach more in keeping with the Swedish notion of 'ecological sustainability' as witnessed in LIP.

Role of the different levels of government

Examples of both types of rewarding economic instruments were revealed in our research. The first type, it will be recalled, uses central funding as a

means whereby the state enhances the capacity of local authorities and their partners to implement nationally defined sustainable development strategies, preferably both at a faster rate and with greater impact. The second type aims at empowering the local level to act as an independent agent promoting locally relevant sustainable development strategies.

The Swedish LIP provides a prime example of the first type of funding instrument. The LIP, while supporting 'bottom-up' engagement with the promotion of sustainable development, can more accurately be described as a top-down initiative with bottom-up consequences. LIP did not help to overcome some of the historically rooted environmental management weaknesses present at the municipal level in Sweden. For example, LIP did not help weaker municipalities to strategically position their sub-national actions within the context of wider national policy and plans. Nor did it lead to innovative, or autonomous, activity at the sub-national level. Nevertheless, LIP did pave the way for limited multi-level government (albeit not governance) decision-making. The fact that the LIP unit within the Ministry was not directly linked to the national expert agencies enabled a balance between local and national priorities to be struck during programme delivery. Nevertheless, the Ministry's control made the programme more of a top-down initiative than had been initially envisaged by some.

The UK case provides the strongest examples of central government steering. The strong link between the distribution of awards and government policy has left little scope to influence the principles and funding priorities, that is, the design stage of this initiative. In addition, the sheer size of funding given to particular projects has tended to limit recipients of funding to either Local Authorities and, or well-established charities and community organisations. This has tended to diminish innovative and independent actions, as was also the case in the German DBU. As in the case of the UK, the German initiative devoted a high proportion of its funding to government authorities.

In the Dutch case, the VOGM programme turned out to be a top-down initiative geared towards the closure of implementation gaps at the bottom. One of the surprises of this research was the discovery that central government-funded schemes are seen as increasingly at odds with present day principles of Dutch environmental planning. Here more attention is given to the exercise of policy freedom and innovation at the local level in pursuit of a sustainable future, as evident in the recent GIDO initiative, albeit within a nationally constructed planning framework. In contrast, the Denmark initiative was viewed more favourably at the local level. This was largely because it was highly decentralised, in terms of programme design, administration and delivery. The scheme fitted well with prevailing, Danish beliefs in the importance of bottom-up, locally oriented approaches towards the promotion of sustainable development. Central government steering was at a minimum. The Danish initiative, despite attempts to impose central steering mid-way through the programme, remained too decentralised to be

able to act as an agent of central government. With the exception of the Danish case, it would appear that funding programmes have only been able to stimulate local government to promote *central* strategies for sustainable development.

Promoting new governance processes

All of the initiatives placed a great deal of emphasis on the need to develop new ways of sharing responsibility for the promotion of sustainable development, across multi-levels of governance and through multi-actor participation. All initiatives included a role for the business sector, public/private partnerships, non-governmental organisations and the public.

Within the LIP initiative, engagement of non-governmental actors and business proved to be limited at all levels. In the Netherlands, only the more recent GIDO initiative provided a contrasting example. In the Danish case, a flexible and open style of collaboration developed between those charged with the administration of the scheme and those funded by it. The programme funded grass-roots organisations, which proved to be a repository of feasible, realisable innovation. Such *local* entrepreneurs were able to make a direct contribution to shaping a sustainable future. Here, co-operation with other bottom-up environmental initiatives, such as LA21, was also shown to be important for programme success. While the UK has also made use of public–private partnerships, they play a different role. By and large, these partnerships are confined to the programme delivery (distributing funding). In contrast, in the DBU there was considerable scope for initiatives stemming from applicants themselves, particularly in the earlier years. Nevertheless, the focus of attention on SMEs was largely at the expense of community-based organisation, and groups. This can be explained, at least in part, by the tendency in Germany to keep civil society at arm's length from the policy process, not least because of fears that the development of a participatory policy culture can be at the expense of traditional forms of democratic practice.

Table 2.2 below summarizes the different approaches to the promotion of sustainable development found in the case studies.

While the Netherlands, Denmark and the UK appear to emphasise a broader spectrum of the three pillars of sustainable development, Sweden and Germany remain focused on ecological modernisation. As for the decision-making procedures and the role of central government, only Denmark allows for substantive local discretion while both Sweden and the UK can be characterised as mainly top-down initiatives. The other cases lie somewhere in between. Finally, in relation whether new patterns of governance have emerged in the implementation of programmes, we argue that similarities are found between the Netherlands and Denmark in creating new opportunities for businesses and NGOs to become involved, whereas Sweden, Germany and the UK follow more traditional paths of government engagement and control.

Table 2.2 Patterns of engagement with the promotion of sustainable development

	Sweden	NL	Denmark	Germany	UK
Sustainable development	Ecological modernisation and some employment	Moving from ecological to all three pillars	All three pillars present from outset	Primarily ecological modernisation	Strong on social pillar
Central steering	Strong in relation to programme design and initial administration	Moving from strong to weaker steering over time	Highly decentralised initiatives	Independent administration; close links to government policy, especially following reunification	Strong central government policy direction and steering
New governance patterns	Limited use of new patterns of governance	Increasing use of partnerships and new localism	Strong bottom-up engagement/weak links to central government or its policies	Limited use of new patterns of governance	Limited civil society participation; involvement of established voluntary sector; New Public Management

Conclusion

The use of economic instruments tends to give central government a strong and continuing role in the promotion of sustainable development. Yet, contained within these instruments is a great deal of emphasis and indeed faith in the mobilisation of sub-national, regional and local actors in pursuit of sustainable development. The comparative analysis across the five countries shows that some of the programmes remained central initiatives, formulated by central government and implemented at sub-national level, while a contrasting approach was applied in the others with more emphasis on capacity-building at the local level. Here, local-level actors provided sources of expertise, embedded in small local firms, grass-roots organisations and community groups, which enhanced efforts to facilitate the transition to a more sustainable future. In this latter case, there was more room for the practice of new forms of governance. The 'catalysing' effect of economic instruments was also found to work best when their target groups are allowed an active role in setting priorities, where the policy style and political culture encourages active participation and where government efforts are linked to on-going initiatives, particularly those related to LA21. When comparing these findings, we are aware that account has to be taken of the fact that the power of local government differs greatly from one state to another, and as a result participatory opportunities may be present in one country that are unrealisable given the administrative structures and policy culture of another country.

The findings of our research point to the interconnections that exist between the use of traditional governing tools, such as economic instruments, and the use of new processes of governance, including multi-level and multi-actor participation in policy processes. Even in those initiatives subject to the strongest central government steering, the expectation of government and indeed the practice of implementation relied upon a complex mixture of actors, drawn from across different levels of government and from the public and private sectors. In the UK case, the use of economic instruments to promote sustainable development was influenced by new public management approaches towards governance. This is also reflected in the German case, in that the funding of sustainable development was devolved to a quasi-private agency, albeit with strong links to federal government through the environment Ministry. The Dutch, Danish and Swedish cases showed evidence of a different model of 'new' governance practice, one that relies more upon co-ordinating activities to promote sustainable development through networks, partnerships and deliberative fora, typically found at the micro and meso levels of municipalities, cities, regional and industrial sectors. This turns our attention to on-going debates about the most appropriate balance between central control and local autonomy in the transition to a sustainable future.

In conclusion, we have found that governments' use of traditional policy

tools, such as rewarding economic instruments, is closely linked with the construction of new forms of partnership and shared responsibility. As such, we caution against the tendency in the literature, particularly the research on new instruments for environmental policy, to treat the rise of new governance as if it existed in isolation from the continued use of traditional policy instruments. Indeed, we argue that so-called 'old' governance tools can be used to promote new governance practices. In short, both forms of governance, traditional and new, are valued tools for the promotion of sustainable development, especially given the belief that the development of new societal practices, such as partnership and shared responsibility, are essential prerequisites for this task. Traditional government may even prove essential to catalyse new efforts, in particular through the provision of economic instruments that can reward investment in the pursuit of sustainable development, be these investments directed at narrow consideration of efficiency in resource use or broader aims of changing societal practices.

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3 Institutional and social capacity enhancement for local sustainable development

Lessons from European urban settings

Bob Evans, Marko Joas, Susan Sundback and Kate Theobald

Introduction

One of the key propositions of Chapter 28 of the 1992 Rio Declaration is that the process of 'good governance' is a precondition for achieving sustainable development at the local level. The logic behind this proposition is twofold. First, it is based upon the belief that the changes required to achieve sustainable development are of such magnitude that they cannot be secured by governments acting alone. It will be necessary to mobilize the energies and initiative of citizens, interest organizations and stakeholders – 'local communities' – if changes in attitudes, values and behaviour are to be secured. Second, the governance process is regarded as a key mechanism to involve and incorporate citizens and local organizations into the decision-making process, thereby increasing political engagement and levels of acceptance of decisions and policies for sustainable development.

Drawing upon the findings of the DISCUS (Developing Institutional and Social Capacity for Sustainable Development) research project (Evans *et al.* 2005) this chapter considers whether the existence of governance processes at the local level (in terms of local government capacity and civil society capacity) are a prerequisite for policy capacity in relation to sustainable development. It also considers the nature and influence of institutional and social capacity in the development and implementation of sustainable development policies, through an in-depth study of 40 European towns and cities.

Local governance for sustainable development

The rationale behind LA21 was that the changes implied in a move towards more sustainable social developments are so immense that government alone cannot impose them. It will also be necessary to mobilize the energy, creativity, knowledge and support of local communities, stakeholders, interest organizations and citizens across the world. Fundamental to this ideal is the

assumption that open, deliberative processes, which facilitate the participation of civil society in making decisions, will be required to secure this involvement.

Christie and Warburton succinctly argue the standpoint that governance is central to the discourse on sustainable development:

> the fundamental driver of sustainable development must be democratic debate – decisions reached through open discussion, consensus based on shared goals and trust. Sustainable development needs representative democracy that is trusted and vibrant, and new forms of participatory democracy to complement it that can inspire greater engagement by citizens in creating a better world.
>
> (Christie and Warburton 2001: 154)

Local governments can exercise legitimate authority – legal, financial and political – within their defined geographical spheres. They can regulate, control, invest and promote within their legal and political remit and responsibilities; with effective leadership, both political and administrative, they may achieve objectives well beyond their formal duties. These achievements may only be realized through consultation, dialogue and participation (the process of local governance) whereby local governments act to promote knowledge and understanding, to promote dialogue, and to mobilize resources and energy. It is through such activities that local policies for sustainable development can generate public consent and support. It is this relationship between local government and civil society, and specifically the relationship between institutional capacity and social capacity, which forms the focus of this chapter.

Institutional and social capacity for sustainable development

The internal patterns of behaviour and ways of working, as well as the collective values, knowledge and relationships that exist within any organized group in society, may be referred to as institutional capacity. Institutions that have high levels of such capital might reasonably be expected to act effectively and efficiently and to demonstrate institutional vigour, initiative and responsibility. In the context of sustainable development it might be expected that such institutions would be proactive and enthusiastic in the adoption of sustainable development initiatives. Actions can be taken to support and nurture this process of learning, which is of crucial importance for sustainable development because of the innovation that is required to address the complex challenges faced. Indeed, as Nilsson and Persson (2003) have pointed out, this course of institutional learning may be best understood as a 'double-loop' process. The first 'loop' involves technical, or instrumental, learning within existing frameworks, whereas the second 'loop' of learning involves conceptual changes across those frameworks.

The complex ways in which sectors of civil society build and maintain capacity (economic, social and mutual support) for action to promote the needs of different groups is encompassed in the concept of social capital. The concept has achieved wide usage in social science since it was popularized by James Coleman (1988) and Pierre Bourdieu (1986), and further developed by Robert Putnam (1993, 2000) and Francis Fukuyama (1995, 2001). Social capital in this context refers to the collective capacity that has been built or exists within a local context.

Putnam (2000) makes an important distinction between what he terms 'bridging (inclusive) social capital' and 'bonding (exclusive) social capital'. Bonding social capital is good for 'getting by'. However, bridging social capital is crucial for 'getting ahead'– that is, making links between groups/organizations in a more collective and co-operative sense. More recently, Rydin and Holman (2004), reflecting on social capital in the context of sustainable development, propose an extension of Putman's categories by suggesting a third, that of 'bracing' social capital, which 'is primarily concerned [with strengthening] links across and between scales and sectors, but only operates within a limited set of actors. It provides a kind of social scaffolding' (Rydin and Holman 2004: 123). In this scenario, Rydin and Holman suggest that strategic links are formed between business actors, local actors interested in sustainable development, and national level actors. This 'bracing capital' could 'reinforce the bridging capital between the micro levels of state and society and the micro–macro linkages between local and state government' (p. 130), which in turn could present opportunities for greater sustainable development policy capacity.

The interplay between institutional and social capacity and its relevance for sustainable development

Commentators such as Maloney *et al.* (2000) and Lowndes and Wilson (2001) have emphasized the role played by government institutions in the creation and function of social capital. Furthermore, Rothstein (2001: 207) notes that social capital can, in fact, 'be caused by how government institutions operate and not by voluntary associations'. Lowndes and Wilson (2001) propose four interacting dimensions of what they term 'institutional design' within local governance which shape the creation and mobilization of social capacity. These provide a useful way of considering the interplay between social and institutional capacity:

1 *Relationships with the voluntary sector*: this relates to the ways in which local government supports and recognizes voluntary associations, and whether the relationship is instrumental or underpinned by a democratic approach to local authority/voluntary-sector relationships.
2 *Opportunities for citizen participation*: well-designed political institutions are crucial to fostering civic spirit as they provide the 'enabling' con-

ditions for this to develop. However, local authorities may, in practice, rank service improvement as the main purpose of participation, ahead of a broader agenda of citizen development and building social capital.

3 *Responsiveness of decision-making*: even where there are institutional arrangements to involve citizens and groups in policy formulation, social capital can only have an impact on democratic processes where policy-makers have the capacity and willingness to involve civil society in these processes.

4 *Democratic leadership and social inclusion*: extending participation can mean more power for those already in advantaged positions. The relationship between social capital and democracy is therefore shaped by the capacity of governing institutions to listen to, and channel, the range of interests.

Based on the four points above, this interplay between local government and civil society organizations should ideally result in tangible benefits both to those involved in the policy process, and in terms of policy capacity. These dimensions are considered in the discussion of the DISCUS research below.

Developing institutional and social capacities for urban sustainability (DISCUS)

Methodology and research framework

The DISCUS research project was funded by the European Commission over a three-year period (2001–2004). Eight partners from across Europe undertook an in-depth investigation of local policies and practices for sustainable development in 40 European towns and cities referred to from herein as 'cases'. Thirty of these cases were drawn from local governments that had demonstrated progress in local sustainable development. This was demonstrated in two ways. First, they were previous winners of the European Sustainable Cities and Towns Award. This Award was designed by the networks of the European Sustainable Cities and Towns Campaign. Its purpose has been to recognize the significant progress made by local authorities in their sustainable development activities, raise awareness and mobilize support for sustainable development, to highlight good examples and encourage exchange of experiences and networking. Second, local authorities had been identified as 'good practice' cases in earlier research by the same consortium (see Evans and Theobald 2001 and Joas *et al.* 2001 for details). These cases were selected on the basis that they showed evidence both of tangible results in sustainable development policies and of governance processes for sustainable development, such as an LA21 programme. The remaining ten cases were chosen as a control group. These cases had no explicit programme for local sustainable development, no known LA21 process and were not members of the European Sustainable Cities and Towns Campaign or of other local sustainability networks (such as ICLEI).

The selected cases were also considered in terms of their geographical spread across Europe, and 21 countries are represented in the 40 cases. The 40 cases were divided between four 'regions' in Europe. These 'regions' were devised for the purpose of the selection of towns and cities, and also as a device for analysis of the data. The countries in brackets are those in which there is at least one case.

Northern Europe (Denmark, Sweden, Finland, Norway)
Western Europe (UK, Belgium, the Netherlands, Germany, France)
Southern Europe (Spain, Portugal, Italy, Greece)
Eastern Europe (Estonia, Russia, Lithuania, Slovakia, Poland, Bulgaria, Romania, Croatia).

The focus of the research was to analyze capacity for sustainable development at the local level, and it is difficult to generalize on the national influence on this, from just one or two cases within a country. However, clearly the national context was an influencing factor in many of the cases, and this is noted in the analysis where appropriate.

Table 3.1 lists the 40 cases, divided into their 'regions'.

The project research questions were:

1   What constitutes 'success' in urban sustainable development policy and practice?
2   What are the factors and conditions that permit or obstruct 'success' in local sustainable development policy and practice?
3   What constitutes 'good governance' for urban sustainable development?

The principal proposition of the research was that there is a relationship between institutional capacity and social capacity within any society. This interaction is a condition for democratic government, and even more so where a society moves beyond the traditional mode of democratic rule, in terms of engaging with modes of participatory democracy.

A related assumption in the research was that different forms of institutional structures lead to different levels of institutional capacities for sustainable development policy-making. In a societal setting where (local) government capacities are generally at a high level, one could also expect that this would be the case in the sustainable development sector. This approach builds upon the work of Jänicke and Weidner (1995), who list five factors that explain environmental policy success:

1   structures: political, economic and cultural framework conditions for policy action;
2   situations: specific situations steer the policy action;
3   actors: proponents and opponents of policy action;
4   strategies: capacities for planned and oriented policy action; and

Table 3.1 The 40 cases

Northern Europe	Eastern Europe
1 Fredrikshavn, Denmark	1 Tallinn City, Estonia
2 Alberstlund, Denmark	2 Kuressaare, Estonia
3 Gotland, Sweden	3 Korolev, Russia
4 Falkenberg, Sweden	4 Anyksciai, Lithuania
5 Växjö, Sweden	5 Dunajska Luzna, Slovakia
6 Lahti, Finland	6 Gdansk, Poland
7 Stavanger, Norway	7 Veliko Turnovo, Bulgaria
8 South-west Finland Agenda, Finland	8 Orastie, Romania
9 Tampere, Finland	9 Baia Mare, Romania
10 Vantaa, Finland	10 Dubrovnik, Croatia

Western Europe	Southern Europe
1 Durham County Council	1 Calvià, Spain
2 London Borough of Redbridge, UK	2 Granollers, Spain
3 Stirling, UK	3 Santa Perpetua de Mogoda, Spain
4 Dungannon and South Tyrone, Northern Ireland, UK	4 Barcelona, Spain
5 Ottignes-Louvain la Neuve, Belgium	5 Celle Ligure, Italy
6 Haarlem, The Netherlands	6 Province di Modena, Italy
7 Munich, Germany	7 Fano, Italy
8 Hannover, Germany	8 Ferrara, Italy
9 Valenciennes, France	9 Thessaloniki, Greece
10 Dunkerque Urban Community, France	10 Beja, Portugal

5   time: important for investment and learning processes.

An assumption could also be made that a high level of social capital can be a basis for a high level of sustainable development capacity within civil society. Within civil society it is also possible to find independent capacity-building measures, but we would expect this activity to be less important. However, it is expected that joint capacity-building measures with (local) government may have a greater likelihood of leading to sustainable development policy outcomes or policy capacity.

Within the DISCUS research framework there were four different components under consideration: institutional capacity, social capacity, capacity-building, and sustainable development policy 'success', or policy capacity. Using these components four governance scenarios were developed, as a basis for undertaking the fieldwork in the 40 cases, and for analyzing the findings.

1   'Dynamic Governing' for sustainable development describes a situation where the higher the levels of both social and institutional capacity, the greater the likelihood of sustainable development policy capacity.

2   'Active Government' is where the local government institutional struc-
    tures have clearly included the goals of sustainable development within
    their activities. This kind of government can, from a theoretical point of
    view, be viewed as (eco-)efficient in that it is making clear attempts to
    implement sustainable development policies but it may not be engaging
    in any meaningful way with civil society.
3   'Passive Government' would, in practice, mean policy failure for sustain-
    able development policies at the local level, although local governments
    may be successful in implementing some environmental policies as
    required by national government. Local action and innovation in the
    environmental arena (and more broadly sustainable development pol-
    icies) would however be restricted. This situation is likely to remain
    unchanged, as there seems to be low pressure from civil society for
    change due to low levels of social capacity.
4   'Voluntary Governing' is where the functions of local government are only
    meant for routine tasks, although there could still be low positive outcomes
    for sustainable development. Capacity building for sustainable develop-
    ment would tend not to be carried out by local governments, and instead
    distributed by and through civil society actors. There may be high levels of
    social capacity, but, without the support and capacity of local government,
    the policy capacity for sustainable development would be very low.

Table 3.2 Arranges these categories of governance.

Table 3.2 Relationship between social and institutional capacity, capacity-building
          measures and sustainable development policy capacity

| *Social capacity for sustainable development* | *Institutional capacity for sustainable development* | |
	Higher	*Lower*
Higher	Dynamic governing → Active sustainable development capacity-building → High possibility for sustainable development policy capacity	Voluntary governing → Voluntary sustainable development capacity-building → Low possibility for sustainable development policy capacity
Lower	Active government → Medium level of sustainable development capacity-building → Medium or fairly high possibility for sustainable development policy capacity	Passive government → Low/no sustainable development capacity-building →Sustainable development policy failure

Data collection and analysis

This section provides an overview of the methods employed for the research, in order to provide the necessary context to the findings (for a more detailed description of the methodology see Appendix A in Evans *et al.* 2005).

In order to address the research questions, the following approaches to data collection were employed within the 40 cases:

- Questionnaires to ascertain local government officers, politicians and stakeholder organizations' perceptions of local progress with sustainable development.
- Semi-structured interviews with local government officers and politicians, and representatives of stakeholder organizations, to assess the types of institutional and social capacity existing in the locality.
- Document analysis (in conjunction with questionnaires and interviews) to assess the levels of policy capacity and capacity-building for sustainable development.

A maximum of eight interviews were conducted in each case, split between local government and civil society organizations. Local government categories were:

1   A leading politician (representing the majority party – for example, the Mayor).
2   An opposition politician to gauge the opinions of a politician in a different role
3   A senior officer dealing with strategic issues – for example, the chief executive or city manager.
4   A senior manager with responsibility for sustainable development policy.

For the interviews with civil society organizations, fieldworkers identified respondents who were actively engaged in the sustainable development policy processes. Fieldworkers were required to select from the following groups (and to cover at least two of these categories):

1   Groups or organizations 'active' in the local community – for example, young people's organizations, ethnic minority groups, women's groups, religious/faith groups and parents associations.
2   Local business or industry (or organizations representing these sectors).
3   Environmental or social NGOs.
4   Semi-official or formal organizations – for example, the local media, universities, police, health organizations and trade unions.

Following analysis of the data, the 40 cases were then ranked, within their 'region', on their levels of institutional capacity, social capacity and

capacity-building and policy capacity. Their ranking was based on the evidence provided in the interviews (and from the fieldworker case report) on the existence of these different components. The findings presented below on the policy capacities of local governments, and on the nature and extent of institutional and social capacities, are also discussed within the framework of the two reporting protocols for this book: sustainable development, and new forms of governance.

Policy capacity for sustainable development

The main areas of policy capacity for sustainable development are set out in Table 3.3.

Those cases with the highest levels of policy capacity were spread across the Western, Southern and Northern regions, with Hannover, Munich, Calvia, and Gotland judged to have the highest levels out of all the 40 cases. The sector where progress was most evident (in all cases, even the 'top' scoring ones) was environmental policies. The environmental emphasis is to be expected as it relates to local authorities having the most freedom and opportunity to act on environmental issues. In some instances, the environmental arena may be seen as the most urgent, for example in terms of managing risk, or mitigating the effects of industrial pollution, or in other cases environmental sustainability is seen as the route through which to tackle

Table 3.3 Areas of policy capacity for sustainable development

Environment	Climate protection
	Energy efficiency
	Renewable energy
	Transport
	Nature protection
	Water management
	Waste management
	Improving environmental practices within local government and its institutions
	Environmental policy tools
Social equity	Mobility
	Education
	Services for vulnerable groups
	Employment initiatives
Economy	'Greening' business and industry
	Regulating business and industry
	Local production
	Fair trade
	Local environmental taxes (for tourists and citizens)

social equity and economic development issues. However, there are examples of towns and cities that are moving to an integrative approach to sustainable development, incorporating the social and economic dimensions, in a range of innovative policies and projects.

Environmental policy tools or initiatives that prioritize the environment were evident in a number of cases. For example several local authorities were using the Environmental Management and Audit Scheme (EMAS) approach. The province of Ferrara was involved in the Ecobudget initiative (developed by ICLEI). Other local authorities were adopting schemes around the notion of 'eco-profit' and 'eco-Audit'. The use of ecological footprinting as a framework for policy development was also evident in several cases. While these tools and initiatives are focused on the environment, it appears that they were not operating in isolation from other policies for sustainable development, and were part of a broader context of promotion and integration of sustainable development principles within local authorities.

Enhancing institutional capacity for sustainable development

The research identified a number of areas of institutional capacity that were associated with high levels of policy capacity for sustainable development.

Role of key individuals or groups

The findings from the 40 cases emphasized the role of key individuals (acting alone or within a team) driving a local sustainable development process forward. Examples were Falkenberg's Local Agenda 21 officer (Sweden), a team of dedicated staff, as in Dunkerque Urban Community (France); and elected senior politicians (including Mayors – Ferrara (Italy), Barcelona Province (Spain), Valenciennes (France), Calvia (Majorca in the Balearic Islands), and Dunajska Luzna (Slovak Republic). In cases such as these, both officers and politicians were prepared to prioritize long-term sustainable development goals and to take often unpopular decisions in support of this. In one particular case (Calvia in Majorca), there was strong political commitment to sustainable development from the former Mayor (whose party was in power for 20 years until the 2003 elections), and the local authority had been proactive in driving forward sustainable development policies and actions. There was evidence of mainstreaming of sustainable development into the culture of the local authority, yet, with the shift to a different political party in 2003, it was unclear whether this momentum would be continued.

Those cases with higher policy capacity also tend to have committed senior staff and politicians, who are prepared to prioritize long-term sustainable development goals and are linked to the political commitment and vision necessary to take often unpopular decisions. Committed politicians

and officers were also found to be important in terms of capacity-building for sustainable development, as they are often the link between local governments and civil society organizations, helping to bring in outside expertise and new ideas to local government policy processes. The findings strongly indicated that those local governments with capacity-building processes in place tended to also be proactive in establishing and maintaining partnerships and alliances both within their own organizations, and with external organizations.

Mainstreaming a sustainable development ethos

There was evidence of a mainstreaming of sustainable development principles in several of the case studies (many of which also had evidence of high policy capacity). One of the main indicators of this was the establishment of a 'horizontal' organizational structure aimed at encouraging cross-departmental working and a stable environment for sustainable development policy-making; and the adoption of sustainable development principles for internal practices, such as eco-procurement. In Ferrara (Italy), the local authority had integrated 'green' purchasing across all departments. Vantaa in Finland had developed an environmental budget, and in Hannover (Germany), environmental services were networked between all the Directorates, indicating a commitment to integrating the environment across all areas of policy-making. In Fano (Italy), there was evidence that their LA21 had been instrumental in the development of greater cross-departmental links. There were several examples of training programmes for sustainable development for both officers and politicians. For example in Haarlem (Netherlands) and Dunkerque (France) specific budgets had been allocated for training initiatives on sustainable development.

The impetus for sustainable development innovation may be lost, or at least slowed, when a key individual leaves a local authority. The process of mainstreaming a sustainable development ethos within institutional cultures is quite slow, usually extending far beyond a normal electoral term of office. Much of this process is about institutional learning, whereby organizations do not have to continually 'reinvent the wheel'. This ensures that, as personnel change, knowledge and practices remain locked within the institution and can be built upon as circumstances change.

Multi-level networking

Given the high proportion of 'good practice' cases in the project, it is not surprising to find that most of these 30 cases were active in city networks for sustainable development and that they tend not to have deeply parochial attitudes. The towns and cities that are consistently high in achievement are those that have worked in European networks, such as the Climate Alliance, ICLEI – Local Governments for Sustainability and Eurocities, or cross-

national networks such as the Scandinavian Green Flag initiative. Involvement in such networks, the attendance of politicians and officers at national and international conferences and other events arranged by these organizations, and participation in initiatives such as the European Sustainable Cities and Towns Award presents examples of good practice and experience across Europe which can, in turn, be interpreted and implemented locally. Examples of multi-level networking in the cases were Tampere (Finland) and Thessaloniki (Greece) which are both members of Eurocities. Eurocities was one of the city networks involved in the European Sustainable Cities and Towns Campaign, and represents a number of larger cities within Europe. Thessaloniki is a member of Medcities, a regional city network of Mediterranean coastal cities created in 1991. Its main focus is to strengthen the environmental management capability of local governments and to identify areas where collaborative working between local governments could improve regional environmental conditions. Medcities is also one of the networks involved in the Campaign. A further area for networking is through participation in European conferences on local sustainable development, for example those organized by the Campaign, such as 'Aalborg plus 10' in 2004, regional conferences, national or cross-national conferences and workshops arranged by LA21 associations, or conferences disseminating the results of European research projects (for example in Gdansk and Lahti). A number of the cases had adopted high-profile marketing or 'badging' strategies – for example, becoming a 'fossil fuel-free city' or 'eco-city' (Växjö, Gotland and Falkenberg being examples of the latter). This indicates a level of self-confidence and it provides an opportunity for a city to showcase itself and its achievements. In addition to any marketing advantages that this might achieve (such as tourism or attracting employers), such strategies can also foster ongoing achievement because expectations, both within local government, and civil society, have been built up and need to be maintained.

The inference here is that outward-looking local governments recognize that their responsibilities extend beyond their local areas, and that there are clear advantages to actively involving themselves in initiatives at national and European levels. However, there are some exceptions to this – for instance in countries with strong centralized national governments local governments may not feel that it is to their advantage to participate in international initiatives.

Interaction with other levels of government

Local authorities' engagement with regional, national and European levels of government is an opportunity for local government to influence future funding and programmes for sustainable development, and to find support for the introduction of sustainable development principles within legislation. National legislation and policy priorities are key drivers in the sustainable development field, and although local governments may pursue

innovative and adventurous policies without central government support, policy capacity may be greater when this support is present. In particular the research indicates that the intensity of institutional capacity at local level is, in large part, related to the level of autonomy granted by the national level to local governments (and/or to the regional/provincial level). This is particularly evident in the Nordic cases, and those in Italy and Spain. The relationship with regions – for example, the Province level in Italy and Spain – appears to be strong in many of the higher achieving case studies, and here there also tends to be strong links to the European level. Even in those countries where national government is acting in support of sustainable development – for example Sweden – the sustainable development links that local governments have are mainly with the regional and European levels and are less strong with national government. These findings on the complex nature of the relationship between the local and national levels of government reflect the discussion by Baker and Eckerberg in Chapter 2. They refer to the role of government investment programme in directing funding for capacity-building to local government, and in promoting a less reactive role for the local level in developing their governance procedures. In addition, Berger and Steurer in Chapter 1 suggest that there is a shift in focus in national sustainable development strategies towards stronger inclusion of the sub-national levels of government – described as 'vertical policy integration'.

Institutional capacity in relation to the two reporting protocols

The level and scope of institutional capacity identified in many of the cases suggests the existence of several of the characteristics listed under the sustainable development and new forms of governance reporting protocols, provided in the Introduction.

The research findings show that interaction with other levels of government is important for sustainable development policy capacity. However, the strong relationship is often between the regional and the local level and not between the local and national level. This is evident even where the commitment at the national level to sustainable development appears to be high. In relation to the long-term nature of sustainable development policy-making, the research shows that that there is a recognition of the long-term approach required, but that policy-making tends to still be linked to the political cycle.

The use of environmental policy instruments is evident in many of the cases. This increased use of such instruments could indicate a move away from a purely sectoral approach to policy-making, with local governments starting to address broader sustainable development concerns through these instruments. However, it is also possible that in some cases (those with weaker institutional capacity) the environment was still the main focus,

with a lack of integration with economic development and social equity issues.

The policy capacity of local governments is related to the financial resources, but also to the legal and financial powers that local governments are given, including flexibility to make decisions on how to allocate resources. Local governments that retain the political and administrative capacity to act in the interests of sustainable development, appear to be more confident and proactive in their policy decisions for sustainable development. In addition, the research indicates that effective functioning local government is important in the development and maintenance of institutional capacity for sustainable development, particularly in terms of cross-sectoral working and the integration of sustainable development across departments.

Where we have ranked institutional capacity as high (based on interview responses from both civil society organizations and local government), there is evidence in these cases of policy transfer and learning. This is occurring in terms of multi-level networking, both between local governments, but also between local government and civil society. These findings concur with Kern's analysis (in Chapter 5) of local governing for sustainable development through policy transfer and diffusion.

The 'regional' and national perspective on enhancing institutional capacity

At the level of the four 'regions', Table 3.4 shows the number of cases in each region with low, medium, and high levels of institutional capacity identified.

The findings suggest that government capacity level is low in the cases in Eastern Europe. The highest levels of institutional capacity were evident in the Northern Europe cases, particularly those in the Nordic cases. In both the Southern and Western European cases we found a diversified picture

Table 3.4 Institutional capacity (qualitative assessment)

Number of cases	Local government capacity			Total
	Low	*Medium*	*High*	
Northern Europe	2	4	4	10
Southern Europe	5	2	3	10
Western Europe	6	0	4	10
Eastern Europe	10	0	0	10
Total of cases for each category	23	6	11	40
%	57.5	15.0	27.5	100.0

with cases showing high levels of capacity but also cases that lacked capacity. There may be a number of reasons for these variations, such as the maturity of a representative democracy, the level of support by national government for sustainable development policies, and the powers and resources provided to local governments.

Social capacity for sustainable development

In considering the nature of social capacity within the 40 cases, the research focused particularly on stakeholder organizations representing key sectors of local society. This decision was based upon the premise that it is these organizations that constitute the 'engaged actors' in sustainable development policy-making, rather than individual citizens. The findings suggest that in those cases that have high sustainable development policy capacity there are high or medium levels of civil society organization activity and knowledge regarding sustainable development issues within the locality.

Particular sectors that were found to be supportive of and involved in sustainable development policy processes across the 40 cases were:

The local media: this was mainly in the form of local newspapers, with examples of a supportive press being found in Albertslund (Denmark), Gotland (a Swedish island), Stavanger (Norway), and Korolev (Russia).

Universities and the education sector: examples of this were in Tampere (Finland), Växjö (Sweden); Korolev (Russia), and Santa Perpetua de Mogoda in Spain.

Business and industry: there was a number of cases where there was a strong relationship between this sector and local authorities, in support of sustainable development. The 'expansive Växjö' initiative was aimed at linking the local authority and business in promoting and delivering sustainable development. Another of the cases – the city of Fredrikshavn in Denmark – was working with businesses on energy saving initiatives. In Italy, Modena Province was involved in promoting the adoption of EMAS to small and medium-sized enterprises (SMEs) and Calvia in Majorca was working closely with the hotel industry to improve the local environment.

In several cases there was evidence of the local authorities having a high profile in the locality, both in terms of demonstrating the importance of policies for sustainable development, and in taking policy decisions that were not the 'easy' option, but which made explicit the municipality's commitment to sustainable development and to taking actions to achieve this. These local authorities were also engaged in providing relevant and 'user-friendly' information to citizens on local sustainable development issues and policies. In summary, those cases showing clear evidence of sustainable development policy capacity are also those with evidence of sustainable development capacity-building initiatives and approaches, aimed at making civil society aware of the progress and policies that are being implemented.

The research findings show that where there was evidence of strong gov-

ernance processes for sustainable development and where there was also evidence of policy achievement in this field, those local governments also tend to have a high level of fiscal, legal and political autonomy. This includes active engagement of civil society in local decision-making processes, for example in the cases of Ferrara in Italy, Calvia in Majorca, and also some of the Scandinavian cases.

There were a number of examples of projects involving the local authority working with the private sector, for instance co-operation between local authority and car-sharing agency (*Hannover*); co-operation between local authority and industry on creating green spaces (*Haarlem*); working with businesses and public utilities on climate energy initiatives (*Southwest Finland Agenda*); working with business on recycling projects (*Dubrovnik*); promotion of environmental practices in business and industry (*Durham County Council*); working with business on sustainable tourism (*Calvia*); eco-profit initiative for farmers and for Small and Medium-sized Enterprises (SMEs) (*Falkenberg, Hannover*). There are a number of examples of local authorities supporting and promoting the development of other civil society sectors, for instance through the initiatives such as 'Green Daily Life' and 'Greenday' in Stavanger (Norway), and also its 'Green City' initiative. In the majority of those cases where there is a university in the municipality: Korolev (Russia), Tampere, Santa Perpetua de Mogoda (Spain), Växjö – there also seems to be a strong link between the local authority and individuals within the university. The university often supports the local authority in developing the sustainable development agenda through providing expertise and advice on policy development, being involved in the relevant forums, as well as including sustainable development aspects in their teaching curriculum.

The research findings show that where policy capacity is higher, there also appears to be a greater 'buy-in' to, and involvement with, local government policy-making and action by sectors in civil society such as the local media, universities, business, and industry, and environmental and social NGOs. In such cases it appears that local government recognizes the contribution that civil society organizations can make to the sustainable development process, and, in turn, those groups recognize that they can have some influence. These findings reinforce the idea of 'bracing' social capital (Rydin and Holman 2004), where a strong relationship is formed between a limited group of actors with an interest in local sustainable development issues.

Social capacity in relation to the two reporting protocols

The findings detailed above, on the nature of social capacity for sustainable development provide evidence of the existence of more formalized links between local government, private sector organizations, industry, NGOs, universities, and the local media specifically geared towards the implementation of local policies for sustainable development. Such co-operative relationships may have already existed in many areas of local

Table 3.5 Civil society capacity (qualitative assessment)

	Civil society capacity			Total
	Low	Medium	High	
Northern Europe	5	3	2	10
Southern Europe	7	2	1	10
Western Europe	6	3	1	10
Eastern Europe	8	2	0	10
Total	26	10	4	40
%	65.0	25.0	10.0	100.0

policy-making, without the impetus of the sustainable development agenda. However, the findings suggest that the development of practices to enhance decision-making processes, and strengthen the relationship between civil society and local government, has in many instances been in response to the Local Agenda 21 principles. One aspect of this appears to be a greater awareness by local governments of the relevance and importance of adopting effective participatory processes within decision-making processes.

Table 3.5 presents the ranking of civil society capacity (in terms of organizations), split into the four regions.

The research team found only four cases with high levels of civil society capacity. In 65 per cent of cases the capacities of civil society to successfully participate in local policy-making processes for sustainable development were limited, both in terms of the capacities of organizations and the options for co-operative policy-making efforts. The level of capacity in the Eastern European cases was lower than in the other three regions. Nevertheless, the capacity level in general was found to be low.

However, it is important to emphasize that in many of the cases there is evidence, both within the local authorities and in civil society organizations, of a willingness to activate or engage in a range of capacity building initiatives within the local setting. In more than half of the cases there were examples of capacity building in relation to sustainable development.

The relationship between institutional, social and policy capacity

Based on their ranking in terms of institutional, social and policy capacity, as well as capacity-building, these cases were then located in one of the four categories of governance, as Table 3.6 shows.

Ten cases (25 per cent) fell into the category of *Dynamic Governing*, seven cases (17.5 per cent) fell into the category of *Active Government*; 19 cases

Table 3.6 Categories of governance

Governance categories	Total in each category	%
Dynamic governing	10	25.0
Active government	7	17.5
Passive government	19	47.5
Voluntary governing	4	10.0
Total cases	40	100

(47.5 per cent) fell into the category of *Passive Government*, and four cases (10 per cent) fell into the category of *Voluntary Governing*.

The research found that to a large extent, the group of 'reference' case studies fell under the passive government category, while the majority of 'good practice cases' fell into the dynamic governing category. This suggests an association between sustainable development policy capacity at local level, and the existence of capacity-building measures for sustainable development by local governments.

The highest levels of policy outcomes are evident in cases that were categorized as 'dynamic governing'. This is where there is a local government with high or fairly high level of capacity to act for sustainable development working together with a civil society that is not only permitted to participate but which also has a fairly high level of capacity to act. The highest level of policy outcome is to be found in those cases that show patterns of dynamic governing or at the least, active government. Effective or dynamic governing for sustainable development is most likely to occur when governments work closely with civil society agents in a process of governance, whether this is by stimulated by Local Agenda 21 or some other process. Moreover, 'success' or policy capacity is also directly related to the inventiveness, leadership, knowledge and skills of local government politicians and officials.

Results (but to a lower extent), can also be achieved if local government is active in terms of developing its own capacity for delivering sustainable development – but not taking civil society fully into account. Passive governments, only carrying out routine tasks, are clearly lagging behind in terms of policy capacity for sustainable development. Active civil society organizations and interest groups can, to some extent, help this process; but progress may still only be marginal.

Conclusions

The research findings show that where there is evidence of strong governance processes for sustainable development (including active engagement of civil society in local decision-making processes) and where there is also evidence of policy achievement in this field, those local governments also tend to

have a high level of fiscal, legal and political autonomy. However, this is not simply a case of equating autonomy with achievement. What appears to be happening is that when local governments are granted higher levels of auto-nomy and independence, they respond to this by being more proactive and adventurous in their policy-making and implementation. Self-confidence, conviction and self-awareness seem to increase in line with levels of autonomy.

It is clear from this research that local government is the primary 'mover' for local level policies towards sustainable development. Our research has shown that in order to achieve policy outcomes we must always expect an *active* government. This can lead the way towards greater cooperation with civil society – creating possibilities for civil society stakeholders to partici-pate in the policy process. Capacity-building measures will, in addition, enhance their capability in participating in the policy-making process. This process does not replace the traditional representative democratic process. Instead it appears that it adds an intensity dimension to the political representation.

As the discussion above has emphasized, the key agency for initiating change is local government itself, and, as the history of LA21 in Europe over the last decade has clearly shown, very little would have happened without the energy, leadership and commitment of local government politicians and officials (Evans and Theobald 2001, 2003).

The current emphasis upon governance within the sustainable develop-ment discourse serves to conceal more than it reveals. The DISCUS research clearly demonstrates that governance and government are the two inter-twined but distinct elements of the process of governing. 'Governance' alone cannot adequately convey the substance of the process of governing which, when it is effective, involves both the active involvement of local civil society and the leadership and commitment of local government. 'Gover-nance' underplays the essential role that local governments have to play in innovating, supporting and nurturing sustainable development (and for that matter most local policies). In our terminology, 'governance' alone is unlikely (for it needs government to stimulate and support it), and 'govern-ment' without 'governance' cannot generate the local resources, support and energy needed to deliver outcomes in the complex policy environment of the early twenty-first century. As the DISCUS research has indicated, the two elements together can create a process of governing which can promote and sustain real policy progress.

The research also supports the proposition of Lowndes and Wilson (2001) and others, that governmental action, or the application of institutional capital, can support the creation of social capital, and as argued by Rydin and Holman (2004). By the same token, it seems likely that the reverse is also true – that activity and action within civil society can support the building of institutional capacity. Thus, as with governance and govern-ment, institutional capital and social capital can exist in a symbiotic rela-

tionship, although, as has been seen above, this is not inevitably so. Nevertheless, in the case of sustainable development policy, the intensity of tangible policy achievement is almost always linked to a high level of dialogue between local government and civil society.

According to Agenda 21, local government is 'the level of governance closest to the people' and it is therefore best placed to pursue the sustainable development goal of local action within a global context. To a large extent, the DISCUS research substantiates this position. Local governments in Europe have been remarkably proactive in their pursuit of sustainable development – in many cases, in the face of national government apathy or even opposition. Certainly, on the basis of the 40 towns and cities studied, it is possible to conclude that local government has been the principle motor for change, mobilizing local agencies and resources to secure objectives. Although other local actors have also been active, little can be achieved unless local government is supportive, and in most cases, it is from here that the initiative has come.

The main point is that those local governments who show the widest range and greatest intensity of achievement are also those who have recognized their central role in promoting and taking action on sustainable development issues. These local governments are setting the agenda and being proactive in establishing and maintaining partnerships and alliances both within the local authority itself and with external organizations. Local government may be able to achieve change on its own. However, those cases where there are high levels of achievement are also those where some level of social capacity and a relationship between local government and civil society organizations exists. Governance is certainly central to sustainable development but only as one part of a process of governing.

The discourse of sustainable development – from the Brundtland Report, through Rio and Agenda 21 on to the Johannesburg World Summit – has undoubtedly changed the context and content of local political activity, in Europe at least. The processes of local government and governance have been significantly influenced by this discourse. Although it is easy to dismiss this as mainly comprising rhetoric – 'capacity building', 'empowerment', 'participation', and 'partnership' – the evidence of this research strongly suggests that the discourse of sustainable development has promoted a 'new way of working' for many local governments in Europe and elsewhere. In many ways the key and dominant message of Local Agenda 21 has been *governance* – an emphasis upon changing process and practice in the relationships between local governments and their citizens, interest organizations and stakeholders.

The discourse of sustainable development has helped to open up a new political space within many European local governments, legitimized through the vocabulary contained in Agenda 21 and promoted implicitly and explicitly by researchers in the field, by practitioners and policy-makers, and changes in the values and priorities of the wider society during the last

decade and a half. This new way of working is not and will not be confined to the sphere of sustainable development policy-making. It may be ambitious to ascribe to the sustainable development discourse – and specifically the proclamations of Local Agenda 21 – the role of 'driver' of these new ways of working and new governance arrangements. Nevertheless, these initiatives and the associated political imperatives together have provided a rationale and legitimation for such changes. Sustainable development may not be the only driver, but has undoubtedly been a key force in promoting change in governance arrangements at the local level in Europe.

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Part II

Engaging in governance for sustainable development

4 Institutional capacities for sustainable development

Experiences with Local Agenda 21 in Spain

Kenneth Hanf and Francesc Morata

Introduction

It is not enough to 'want' sustainable development; it is also necessary to have the capacities to do the kinds of things that are required to realize sustainable development. In addition to asking what sustainable development means, it is necessary to consider the procedural and organizational questions raised by a serious commitment to this path of societal development. If sustainable development is not an 'end state' or a set of characteristics of a 'sustainable society', attention has to be addressed to the process by which communities collectively decide what sustainable development means for them and how they are going to proceed in promoting such a pattern of development (Baker 2006). Consequently, not only the 'what is' question, but also the 'how to' question needs to be addressed. From this perspective, sustainable development is not a 'thing' but rather it is a way of doing things, which will need to become the normal and natural way of 'arranging our "affairs" at the local level' (Evans *et al.* 2005). This raises questions regarding necessary changes in the institutional arrangements and management practices of a local authority. There are a number of things that must be done (functional requirements) in order to produce the kinds of policies and actions necessary for moving a community along more sustainable paths of development. Taking these kinds of actions – both on the collective, group and individual levels – is likely to require us to adapt existing institutional arrangements (and ways of doing things) or develop new organizations and procedures, as well as ways of thinking and acting.

In this chapter, the experiences with sustainable development in a number of local authorities in Spain are examined to determine to what extent they possess the institutional capacities for this purpose. We are especially focusing on the measures taken to institutionalize political commitment to the objectives of sustainable development. In the following section, the analytical concepts of 'institutionalization' and 'institutional capacities' for sustainable development are elaborated. These are then applied to data

gathered from a recent survey of Spanish local governments regarding their efforts to organize the transition to sustainable futures.[1] On the basis of this information, the chapter concludes with some general comments regarding the institutionalization of sustainable development in these communities.

Governance for sustainable development: a question of institutional capacities

Functional imperatives and institutional prerequisites

Whether or not a given political community has adequate institutional capacities for pursuing effectively a policy of sustainable development will depend on the extent to which it possesses institutional arrangements and procedures for performing these functions. Discussions of state capacity tend to focus on generic capabilities of government to make and enforce policy. In particular, this means looking at the presence and quality of effectively functioning legislative and administrative institutions, appropriately trained staff, adequate financial and technical resources, as well as mechanisms for gathering, analysing and communicating information. Also of importance is the legitimacy of these institutions in the eyes of the citizens. In his discussion of ecological modernization, Jänicke (1997) stresses the importance of 'environmental capacity' as a precondition for addressing environmental problems effectively. When Evans *et al.* (2005) analyse institutional capacity at the local level, they examine 'the factors and conditions for sustainable policy achievement' (2005: 65; see also Chapter 3, this volume). What is at issue here is a specific case of the more general phenomenon of institutionalization of a new policy commitment in an organization, including procedures and management practices of the local government system. This also entails the mobilization of support and involvement of the relevant social and economic actors, together with the more general public.

In recent research on sustainable development at the local level in Spain, the concept of capacity was related specifically to the institutional prerequisites implied by the 'logic' of this particular policy. This means that the institutional capacities can be derived from the functional prerequisite of effective governance for sustainable development. A list of the functional imperatives that need to be met by the policy process for sustainable development can be extracted from the discussion in the literature of the preconditions for 'getting the process right' through which collective decisions on sustainable development are taken and carried out. In the research reported on here the focus is on the several key aspects of the institutionalization of governance for local sustainable development.

First, of crucial importance is the nature of the political commitment to sustainable development in the local authorities. This involved getting the commitment onto the local political agenda and situating this commitment in relation to established policies and plans. It is clear that sustainable devel-

opment, as a new policy area, does not enter an empty policy and institutional space. What this new policy commitment means, the place it comes to occupy in the institutional framework and relationships among actors will be the result of its confrontation with already existing organizations, ways of doing things, habits of mind and power relationships.

Second, we explore the different types of instruments that these local authorities are using in order to implement their commitment to sustainable development within their jurisdictions. We are particularly concerned with efforts to stimulate the integration of environment considerations into social and economic policy. Such instruments encourage taking into consideration the environmental impacts in strategic and operational decisions by making evident the costs or benefits (monetary or otherwise) of such decisions. In this way, actions detrimental to the environment can be discouraged and those that cause less environmental impacts promoted.

One instrument of particular significance in this regard is strategic planning by municipal authorities. The focus of this third part of the survey was on determining to what extent such plans articulated an explicit vision of local sustainable development and, thereby, formed an integrated framework for defining and co-ordinating medium-term programmes and operational activities to achieve the objectives of these plans.

Fourth, the research was aware that, at the heart of all versions of sustainable development is the requirement that decisions on environmental protection, economic development and social progress be taken in an 'integrated manner'. We were therefore interested in whether policy action in each separate sphere was decided and undertaken under explicit consideration of the impact of actions in one area on activities and developments in the others. Local governments need to have a capacity for developing integrated policies of this kind, where a premium is put on joint action to combine the specific resources and action possibilities behind a co-ordinated effort.

Another functional imperative of the promotion of sustainable development on which there is general agreement is that the decision process should provide opportunities for extensive participation by stakeholders and the general public. In this sense, the system of governance for sustainable development needs to provide multiple access points for extra-governmental actors. In addition to the patterns of external participation, the survey also gathered information on the extent and modes of internal participation by administrative officials from the local government.

There is also general agreement on the importance of two aspects of the system of multi-level governance for sustainable development. First of all, there is the crucial position that local government takes in the overall process. At the same time, it is necessary for local authorities to be able to establish and manage their relations with other levels of government, as well as with governmental actors at the same level. The roles played by actors from different levels of government and the patterns of inter-governmental

relations joining one level with the others will vary with the characteristics of the general political systems within which local authorities operate. This issue formed the sixth focus of concern in our research.

Finally, our research was premised on awareness that the promotion of sustainable development is a long-term process. As such, it needs to combine the stability of long-term strategic planning with the flexibility required to respond to changes in the socio-economic and technological context, collective understandings and preferences and emerging opportunities. Communities require a capacity for managing the dynamic evolution of the relationships between long-term objectives, medium-term programmes of implementation and short-term decisions for daily governing. A precondition for the successful co-ordination of different time horizons of governance is a capacity for social learning.

Research methods

The research reported on here gathered and analysed data on the institutional framework of local authorities in Spain, in order to draw conclusions as to how adequate these organizational arrangements, procedures and practices are for the implementation of a strategy of sustainable development at this level. Of particular interest were those intra-organizational and inter-organizational changes that had been introduced as a result of attempts to develop and implement a Local Agenda 21 (LA21) initiative in the municipalities.

The data was collected from two sources. First a questionnaire, consisting of both closed and open questions, was mailed to the official responsible for the environment of all Spanish municipalities with a population of 50,000 or more inhabitants.

Approximately 50 per cent of the total Spanish population lives in towns and cities of this size. Of the 122 questionnaires sent in the winter of 2000–2001, 63 were returned, a response rate of roughly 56 per cent. The results from this survey commented upon in the following sections are particular relevant for those Autonomous Communities in which 50 per cent or more of the municipalities surveyed responded. Many of the non-respondents are found in Autonomous Communities which are, on other measures, less active with regard to environmental issues. It should be kept in mind that, while earlier studies of LA21 in Spain looked at experiences in a limited number of municipalities of all sizes (Font and Subirats 2000), our project considered municipalities of 50,000 inhabitants and above. This makes it difficult to compare the results of the different studies.

A second source of information was a set of case studies examining the experiences of eight Spanish municipalities with the integration of a sustainable development perspective in their strategic planning activities. The cases were selected from the survey sample as examples of municipalities that had finished their LA21 Action Plans and had embarked on the implementation

of these strategic programmes. At the time of the survey, 10 local authorities – of the 38 municipalities that had already undertaken some action with regard to LA21 – had already completed a LA21 Action Plan and had begun implementation. From these, eight cases were selected that scored high on both a political commitment to sustainable development and actions taken to translate this commitment into a strategic plan. These municipalities represented a sub-set of 'best practices' (or at least 'most advanced') with regard to LA21. Five of these are located in Catalonia, with four in the province of Barcelona.

Institutional capacities: the case of Spain

Sustainable development and the local political agenda

A basic prerequisite for the implementation of a strategy for sustainable development at the local level is the establishment of a political commitment at the highest level of local government in order to make clear that the path to local development gives a central role to the environment. In this regard, 80 per cent of the local authorities surveyed claim that sustainable development occupies a place on the local political agenda. As can be seen from Table 4.1, the same percentage affirms that they are parties to some kind of document committing them formally to this objective.

The formal incorporation of sustainable development as an objective on the local political agenda is something that has occurred since 1996 and in large part is related to accession to the Aalborg Charter. Signing this Charter represents a voluntary commitment on the part of the local actors with the intention of giving an impulse to the integration of the environment into local policies, especially by means of launching the LA21 process. However, the inclusion of sustainable development on the local political agenda will not, by itself, have serious practical implication unless it is accompanied by decisions which set concrete objectives or targets together with deadlines for achieving them. As can be seen from Table 4.2, 43 per cent of the formal commitments mentioned above were not accompanied by the setting of such targets and deadlines. Even those with such objectives did not always specify a deadline for achieving them.

Another indicator of the degree of importance that municipal governments attach to sustainable development in local policy is the provision of funds to undertake actions to realize this policy. Table 4.2 indicates that, of municipalities setting concrete targets (although not necessarily concrete deadlines for reaching them), only 22 mentioned having specific financing for these sustainable development activities. Even in those cases, however, this financing referred primarily to sectoral activities of environmental protection and the execution of environmental audits of the municipality.

The data also suggests that some confusion exists among a group of respondents who equate financing of activities directed toward sustainable

Table 4.1 Documents signed in connection with formal political commitment of local authorities to sustainable development

Item on local political agenda		Formal statement on sustainable development		Municipal environmental declaration or charter		Signed Aalborg Charter		Local agenda 21 documents		Incorporated into local strategic plan	
Yes	*No*	*Yes*	*No*	*Yes*	*No*	*Yes*	*No*	*Yes*	*No*	*Yes*	*No*
48	12	53	11	4	48	41	11	29	23	17	35

Note
Multiple answers are possible.

Table 4.2 Budgetary allocations for sustainable development in municipalities

Targets and deadlines for realization of sustainable development	Budgetary allocations have been made for sustainable development		
	Yes	*No*	*Totals*
Neither concrete targets nor deadlines	8	18	26
Concrete objectives	9	7	16
Concrete objectives and deadlines	13	5	18

development with budgetary resources for the unit of environmental administration. More than 10 per cent of the respondents assumed that the mere existence of environmental unit and its activities was equivalent to pursuing sustainable development.

In sum, in light of the information collected, the data indicates that there is growing support for sustainable development though, for the most part, Spanish local authorities are still in the preliminary phases of such a process. There exists a formal commitment to the objective of sustainable development in the majority of municipalities responding to these questions. However, these formal commitments frequently are not accompanied by concrete actions and the allocation of financial resources to pursue the objectives of sustainable development.

Instruments of local environmental policy

Progress toward sustainable development at the local level requires the use of instruments that stimulate the integration of the environment into economic and social decisions. The environment has to become 'visible' in the economic and social spheres, both public and private. This section presents information on the types and scope of the predominant instruments used by local authorities in their attempt to promote environmental policy integration and sustainable development.

In the majority of the municipalities that responded on this point, the instruments most often used were those that had a strong training and informational component (environmental education for citizens, for the municipality's employees, or advising of business firms). A large number of municipalities use environmental indicators in connection with their strategic planning activities, especially with regard to the LA21 initiatives. Indicators are developed to guide the audit and diagnostic work preliminary to the formulation of LA21 Action Plans. They also play a central role in the monitoring and evaluation of implementation efforts.

Another set of prominent instruments is connected with initiatives that seek either to co-ordinate or to integrate social objectives (for example,

integration of marginal social groups, access to paid work for long-term unemployed) with the development of activities related to the maintenance or protection of environmental quality (such as, reconditioning of river channels, selective collection of urban waste, recycling facilities, and street clearing). A large number of respondents indicated that they use measures aimed at 'creating employment in environmental activities or with a high environmental profile'.

The incorporation of environmental criteria into the activities and management of municipal enterprises, agencies or services, the provision of environmental advice to firms, and the location of environmentally-friendly firms in the community, can be qualified as 'emerging instruments'. That is to say, these instruments are not yet widely used but there is growing interest in them. Green purchasing is seldom applied even though there is much talk of introducing it in the medium term. Internal environmental audits and environmental management systems in the local administration are not used to any significant degree in the communities studied.

More 'classical' economic instruments have proven more difficult to introduce. These include: economic incentives (either financial or fiscal) directly related to environmental criteria; funds of risk capital for promoting environmentally-friendly projects; the development of eco-industrial parks; signalling and rewarding good environmental practices in firms; eco-taxes; and linking economic support for firms to conditions to be met with regard to environmental quality. It is unlikely that such instruments will be used in the medium term.

The local authorities in our group of respondents do not use any formal instrument for strategic environmental evaluation of the policies for economic development. Those that mention this sort of evaluation were merely referring to assessments of the environmental impact of concrete projects (not policies) in compliance with existing sectoral legislation.

The propensity to use instruments for environmental education and information and for the creation of environment-related employment, can be largely explained by the short-term economic costs associated with their use. By contrast, training and information instruments are easier to implement because they do not involve trade-off between economic and environmental objectives in the short run. Moreover, environmental education and training are considered to be fundamental for generating attitudes, opinions and behaviours more supportive of sustainable development. However, the ultimate impact of such instruments will be slight, unless they are accompanied by economic instruments that affect in a more direct manner the dynamics of production and consumption.

Local sustainable development and strategic planning

There are signs that environmental quality is beginning to be taken into consideration as an objective either of local developmental strategies or as

one parameter among others that is considered when developing such strategies. This can be a sign of the increasing importance of the environment in local discourses on development. It is an indication of a certain awareness of the need to define visions of local development in terms of combining goals of economic development and environmental quality. However, the evidence obtained from the survey on this point suggests that the environment is still a peripheral issue as far as strategies for local development are concerned.

The answers given by the respondents as to which priorities should be satisfied by local development we find, in the first place, social objectives (such as the improvement of social services and the creation and maintenance of employment) followed by economic goals (stimulation of investment) with environmental objectives (environmental protection) bringing up the rear. Those factors directly related to economic growth were considered to be of highest strategic importance (in either positive or negative terms) for local development by the majority of respondents. In order of importance, these included price and availability of land and buildings, transportation infrastructure, image of the area, and the quality of the labour force. Environmental quality was not considered to be a relevant strategic factor for local development.

The sectoralized strategic vision is not surprising if we take into consideration the way in which the kinds of problems faced by the municipalities are perceived. A large majority (73 per cent) of the respondents defined the most important problems from a departmental perspective. When environmental problems were mentioned, the respondents defined them in terms of the impacts that were visible, without raising questions as to the socio-economic causes of such impacts. To the extent that problems were defined in terms that related one sphere of action to another, these linked the economic and the urban development sectors, on the one hand, and urban planning and the environment, on the other. Traditionally there have been strong political and administrative relations between economic growth and urban growth, and between urban planning and environmental quality (green zones, noise, declining or run-down neighbourhoods). In this sense, inter-sectoral problem definitions tend to follow channels of communication and procedures already in use with respect to traditional patterns of local development.

Urban strategic plans

The relatively marginal position of the environmental *problematique* in contrast to the central position of the objective of economic growth in the local political agenda can also be observed in the extent to which the environment is taken into consideration in strategic instruments for planning local development. The Strategic Plan of a municipality and its LA21 Action Plan are instruments for making manifest the vision that the local actors (public as well as private) have for the future of their community. This vision is expressed as a shared medium-term project consisting of more or less

concrete objectives, together with the measures and deadlines for achieving them. Local Strategic Plans are firmly rooted as instruments of urban governance in Spain and have traditionally been used to articulate objectives of economic and social development. In recent years, the growing visibility of the environment in the urban debate, principally in relation to the commitment to sustainable development, has led to the incorporation of environmental concerns as a strategic objective in these plans. Still, however, environmental issues have been added as a separate set of considerations alongside – and even at the margins of – the fundamental objectives and measures of economic development.

By 2001–2002, 28 of our 63 responding municipalities had a local Strategic Plan (in preparation, in force or under revision), but only 12 of them contained a strategic line of action dealing with the environment. Two had evaluated the environmental impact of the other socio-economic strategic lines of action. In other words, environmental problems tend to be considered primarily as aspects related to concrete traditional issues of local environmental management, such as the management of municipal, industrial and dangerous wastes, the treatment of waste water, and the control of atmospheric emissions. Very few treat the environment as a strategic value or factor of local development.

Local Agenda 21 initiatives

In general, the response to LA21 by the different levels of government in Spain has been slow and uneven. Central government has remained at the margin, leaving these initiatives in the hands of the regional and local authorities. While some autonomous communities have adopted measures designed to give an impulse to LA21 within their territories, they have not played a significant role in the take off of LA21 in Spain (Mezo 2005). The responses of municipalities of different sizes have also been uneven: some have done nothing while others have played a dynamic role. Nevertheless, it has been the local level that has been most active (Font *et al.* 2001).

As of 2001, 53 per cent of the responding municipalities were engaged, to some extent, in the LA21 planning process. The majority of these local authorities were still in the preliminary diagnostic phase. Only 14 authorities were either busy with preparing the Local Action Plan or engaged in implementing it. It is interesting to note that of the 14, the Catalan municipalities included in the group of respondents, eight were already busy with implementing their LA21 Action Plan.

The LA21 Plan of Action is supposed to serve as a strategic plan for sustainable development, integrating economic, social and environmental dimensions of community development. In practice, however, in the majority of cases we find a sectoral plan of action – an environmental plan of action – alongside plans dealing with social and economic matters, instead of an integrated plan for a transition toward sustainable paths of develop-

Table 4.3 Location of municipalities in different phases of the LA21 process

Preliminary phase of process	24	53%
Elaboration or approval of LA21 plan of action	4	9%
Implementation and monitoring	10	22%
No answer	7	16%
Total	45	100%

ment. In Catalonia (and elsewhere) the very title of the LA21 plan, Environmental Action Plan, gives the game away. In some cases, there exists a complementary relation between the strategic plan and the environmental plan of action produced by the LA21 process. However, this clearly does not mean that the degree of required integration has been achieved. In general, our data reinforce the conclusion drawn by other researchers that most municipalities do not view LA21 as an instrument of strategic planning that incorporates the concept of sustainable development. On the contrary, the majority have used it to identify environmental needs or simply to paste the etiquette 'sustainable' on pre-existing environmental interventions (Font *et al.* 2001: 108). In the initial round of LA21 planning, attempts to produce a more 'integrated' plan involved little more than incorporating already-existing or anticipated social and economic programmes and projects into the Action Plan.

As far as the introduction of LA21 initiatives at the local level is concerned, the Catalan municipalities occupy a clear position of leadership vis-à-vis the rest of Spain, with the exception of those municipalities located on the Canary Islands and, to a lesser degree, in the Communities of Valencia and the Basque Country. In fact, 94 per cent of the municipalities in Catalonia that responded to the questionnaire are engaged in an LA21 process. There are 21 cities in Catalonia with a population of more than 50,000 inhabitants. Of these 17 responded to the questionnaire and 14 were undertaking LA21 initiatives.

In large part this 'Catalan phenomenon' can be accounted for by the cooperation and exchange of resources between these local authorities and the Department of the Environment of the government of the Province of Barcelona. Municipalities in this province have received economic and technical support from the provincial government (*Diputació de Barcelona*) for the development of their Agenda 21. In this sense, one can speak of a 'Diputació méthode' which these cities (and later many others) have followed, even though this general methodology has been adapted to the characteristics of the particular local situation. In this context, the provincial Department of the Environment has served as an important mechanism of policy transfers – together with the appropriate techniques – with regard to promoting LA21 in the province. Together with the inter-municipal network for the exchange of information and experiences set up by the provincial environ-

mental unit, this programme of support has been a crucial channel of policy transfer between these two levels of government (See also Kern, Chapter 5 in this volume).

This 'Diputació méthode' looks a lot like the eight-phase model produced in connection with the Aalborg Charter. However, in contrast to the European model, in practice it structures the municipal audit and problem diagnosis almost completely in environmental terms. The process of strategic planning for sustainable development thus becomes defined as environmental management.

The other (non-Barcelona province) cities in our case study have undertaken LA21 processes very different from one another, even though they have in common that these actions have emerged from – or are based on – the strategic plans of the city. Regardless of this close relation with more general strategic planning, the LA21 action plans have tended to place emphasis on environmental quality and the protection of natural surroundings.

Participation in strategic planning and the implementation of LA21 action plans

External participation

In the municipalities located in the Province of Barcelona, a crucial factor in the LA21 planning process was the role played by external experts (consulting firms). These experts set out the technical aspects of the eco-audit and diagnosis, with some input from the administrative staff of the municipality. The external consultants were also responsible for formulating the draft action plan which served as the focus for the subsequent debates and discussions among government officials and the community.

Despite the central role of these experts, the municipalities varied with respect to the role played by governmental and societal actors in the preliminary phases of the planning process. In some cases they participated in the diagnostic activity and in the formulation of the draft plan. In other cases, they reacted to the finished planning document prepared by the technical experts. In both cases, commissions and public forums were established to structure the debate over the draft plan and to achieve consensus on the vision of sustainable development for the community. This process of consultation usually had two elements. First, it involved some kind of mixed commission for representatives of city government and key stakeholder groups in the community, which worked closely with the external experts and provided channels of communication and input during the drafting phase. Second, an Environmental Forum provided an arena for more general public consultations on the draft plan. Here, in the plenary meetings and sessions of working groups, interested citizens (and groups) had an opportunity for debate and deliberation on the LA21 Action Plan.

Internal participation

The case studies make clear the importance of including the different departments or administrative units in the problem diagnosis and formulation of the draft action plan. Also participation of the officials who will ultimately have to implement the strategic plan is crucial for its success. Such participation serves as a way to channel local expert input into the analysis underlying the strategy. It also serves a number of other functions in preparing the ground for its successful implementation: familiarization with the problems of sustainable development and the impact of this policy on their own sectoral tasks; practice in the habits of co-operation and co-ordination across sectoral lines; and generation of feelings of ownership as a result of close and active involvement in the planning process. It appears from the case studies that this internal participation paid off in preparing some of the staff for the changes in work habits and attitudes required for efforts to achieve integrated and cross-cutting results in the implementation phase.

Mechanisms for co-ordinated and integrated action

When undertaking local initiatives to link economic development and the environment, Spanish municipalities confront a series of obstacles. Respondents stressed the importance of effective communication and co-ordination between the different functional units within the local authority. They pointed to shortcomings in the internal organization of local administration. Of course there were problems with competing priorities and the pressure meeting the demands made upon personnel and financial resources. Another important obstacle was the perceived absence of support from supra-local actors. This suggests critical gaps in the system of multi-level co-operation and collaboration. This complaint was less likely to be voiced by Catalan municipalities, which profited from active support from the provincial government.

Given the limits of budget and competences of local units, elaboration and implementation of strategies for local sustainable development require the support, both financial and technical, of higher levels of government. Other data shows, in this regard, that the principal sources of external financing for local projects of this kind are European funds. Of the 47 municipalities responding on this point, 38 have received financial assistance from the EU as well as from their own Autonomous Community. There has been scarcely any financial support from either the central government or the provincial governments. An important exception to this has been the province of Barcelona, which has set up an inter-municipal network to provide technical and financial support for processes of LA21 in the municipalities located within its territory.

The sectoral perception and the lack of centrality given to environmental problems on the local political agenda have already been noted. This is not

Table 4.4 Perceived obstacles to the integration of the environment and economic development

Important/very important obstacles	% of responses	Obstacles of less or little importance	% of responses
Internal organization	76	Lack of time	64
Lack of habit of co-ordination	72	Lack of information	61
Other, more important priorities	71	Lack of necessary political consensus	59
Lack of supra-local support	66	Lack of qualified administrative staff	55
Lack of financial resources	65		

surprising when the limited degree of inter-departmental co-ordination within local administrations is taken into consideration. Municipal technical officials signal the characteristics of internal organization and the absence of habits of co-ordination as the principal obstacles at the moment to developing local initiatives to join economic development and the environment. As will be seen below, even where such co-ordination is found, it tends to be irregular and focused on specific concrete issues or actions.

Inter-departmental co-ordination

Local sustainable development requires a systematic and integrated vision of the local problems. It needs a vision in which, on a local scale, the relations are identified between social, economic and environmental factors, objectives and impacts, as well as the development of integrated strategies dealing with the symptoms as well as the causes of the local problems. This integrated approach has to be taken on board in the institutional design and functioning of the local administration. Traditionally, the structure of local administration in Spain, as in most other countries, has been characterized by vertical hierarchy, departmentalization and the thematic segregation of function into watertight boxes. In this sense, there are departments of economic promotion, urban development, social affairs, cultural affairs and so forth. During the decade of the nineties, the large majority of municipalities were restructured organizationally in order to provide institutional support for the new policy commitments to environmental protection. This restructuring in general has taken the form of a new sectorally organized technical department and a councillor for the environment appointed at the executive level. Consequently, in the responding municipalities the large majority have separate departments of economic promotion, environmental protection and urban development.

Efforts to pursue the objective of sustainable development have subsequently been grafted on to this pre-existing system, with only marginal

changes. In this context, the integration of the environment in the separate sectoral departments and the existence of mechanisms that favour such inter-departmental integration (for example, interaction, communication, co-ordination and collaboration) are necessary elements of internal organization for putting a local policy of sustainable development into effect. The research project put particular emphasis on examining the type of relations that have been established between the departments of the environment, economic promotion and urban development in the local authorities studied.

The responses show that the predominant form of relationship is that of 'inter-departmental relations'. These interactions can be characterized as 'occasional collaboration' (in at least 33 per cent of the cases) and 'continuing co-ordination with regard to concrete topics' (in 25 per cent of the cases). This suggests that the relations between the departments mentioned are characterized by two-way communication and collaboration, although not necessarily formalized by means of some mechanisms of co-ordination. The contacts develop around concrete actions or topics. It is worth noting, however, that there exists a large degree of integration between the departments of environment and urban development in light of the fact that one quarter of the municipalities indicate that they maintain at least a relation of 'continued policy co-ordination' between both departments. This can be explained, in large measure, by the fact that in many municipalities the political executive responsible for the environment also has urban development in her portfolio. Nevertheless, the two departments remain separate at the technical level.

Inter-departmental relations are often managed through more or less institutionalized mechanisms of internal co-ordination. Of the 59 local authorities that responded to this question, 30 affirmed that they had mechanisms of co-ordination (informal or formal) for issues related to sustainable development. Of these, only 22 municipalities possessed formal mechanisms of internal co-ordination. A good part of this co-ordination is due to the advanced position of the Catalan communities in this regard. In the majority of the 22 cases with formal mechanisms, these are of a mixed character, involving both political and technical officials. They tend to meet periodically and the co-ordination involves four or more departments. In the majority of cases, it is the department of the environment that acts as the lead actor in the group. It establishes the agenda, convenes the meeting, and introduces the topics to be discussed. This 'chairing role' explains the substantial influence of this department in the decisions taken through these mechanisms.

Social learning and institutional change

At various points, the sectoral perceptions and the lack of centrality of the environmental problems in the local political agendas have been noted. Municipal technical officials point to features of the internal administrative

organization and the lack of habits of co-ordination as the principal obstacles when it comes to undertaking local initiatives that inter-relate economic development and the environment. Inter-departmental co-ordination, while present, has also not been highly developed.

However, there is also evidence that the implementation of the LA21 process and the elaboration of the local Strategic Plans have contributed positively to the development of more extensive patterns of inter-departmental co-ordination and the development of habits of inter-sectoral co-operation. Indeed, roughly 60 per cent of the institutionalized mechanisms of internal co-ordination found in the local authorities studied can be attributed to LA21 and the Strategic Plans. Of the 22 (out of 53 answering this set of questions) local authorities that mentioned having institutionalized mechanisms for internal co-ordination in connection with questions of sustainable development, in nine cases these had been set up as a result of the LA21 processes. Two cases were developed in connection with the formulation of the municipal Strategic Plan. Experiences with the implementation of both plans had led to establishing such mechanisms in four other cases.

The data also indicate that over time, as the process of LA21 develops, the degree of inter-departmental integration increases. In those local authorities that are still in the early phases of the process the relations between administrative units predominantly takes the form of 'occasional collaboration' between the department of economic promotion and the department of the environment. In contrast, where Plans of Action have been formulated or are being implemented the dominant relation is 'continuing co-ordination on specific issues'. As far as the relations between the department of urban development and the department of the environment are concerned, in local authorities just starting the LA21 process, relations of 'continuing co-ordination on specific issues' predominate, followed by relations of 'occasional collaboration'. In those local authorities in more advanced stages of the process, the relations between these two departments tend to be characterized by 'continuing co-ordination on specific issues' followed by relations of 'continuing co-ordination of policies' and 'integration of policies'.

It would seem that, as more and more municipalities complete the formulation of their LA21 Action Plans and enter the implementation phase, organizational changes stimulated by these initiatives will result in a greater capacity for co-ordinated and even integrated action with regard to local development strategies.

Implementing LA21 action plans

Up until now little work has been done on the actual implementation of LA21 Action Plans. Especially in the case studies, this project probed the initial experiences of translating these plans into concrete administrative actions. Incorporating the objectives and principles of the Action Plans into the operational work programmes of the local administration has proven to

be difficult. This is due to organizational fragmentation, problems of inter-departmental co-ordination, administrative culture and mentality of the sec-toral policy units and the weak organizational position of the Offices of LA21, which are primarily responsible for monitoring whether the object-ives of the plan are effectively carried out. Despite the opportunities for internal participation and the strengthening of inter-departmental co-ordination, during the implementation of the LA21 Action Plan the exist-ing fragmented nature of organization and functioning of administrative institutions in Spain continues to make itself felt as an obstacle to co-ordinated action. It would appear that internal participation has not been extensive or intensive enough to overcome the barriers related to the tradi-tional sectoral organization of local administrations and the attitudes of the officials working in these different functional areas.

The first step in implementing strategic plans is the incorporation of particular projects into the medium-term legislative or action programme of the government in office. In the Barcelona Province this occurs by means of the Municipal Action Programme which contains the priority actions that will guide the period in office of the current government. In some cases the strategic objectives of the LA21 Action Plan have been incorporated into municipal programmes governing a legislative period, or included in the governing agreement between parties, thereby effectively serving to frame municipal decision-making and administrative activity. An important factor here is the extent to which the mayor and the political executive assume effective leadership. To the extent that the major impulse comes from the councillor responsible for the environmental area, the Action Plan has less weight as a focus for integrating the activities of the different policy sectors.

Implementation of these tasks is monitored and measured by means of a set of sustainability indicators. These are initially based on the indicators developed during the municipal environmental audit and problem diagno-sis, usually by the consulting experts managing this part of the LA21 plan-ning process. Local authorities differ in the way in which these indicators are used to follow and evaluate the progress achieved by the different adminis-trative units in carrying out their responsibilities for parts of the Action Plan. In some cases systems of 'benchmarking' are being developed by means of which the relative success of a given unit can be measured (as a percentage of the assigned plan tasks accomplished) and compared with the perform-ance of other administrative units. These indicators and the comparative scores of the different actors are also used to inform the public as to the performance of its government in meeting its sustainable development goals. The indicators themselves are under continuous revision and exten-sion. Administrative responsibility for this is in the hands of the Office of Sustainable Development, attached to the environmental administration.

Strategic planning is an iterative and rolling process. On the basis of feed-back from goal achievement and effectiveness of programmes and measures, the original plans are revised and adjusted given past experiences and new

conditions. This process becomes institutionalized, building upon the arrangements that had been used during the original LA21 planning process. The monitoring and evaluation activities of the Office of Sustainable Development serve as the point of departure. It provides the inputs for the Commission 21, which brings together representatives of different local administrative units and services. It is the arena for deliberation and consensus forming within the local authority. This body is charged with the co-ordination and oversight of the implementation of the LA21 Action Plan. The Municipal Environmental Council is a vehicle for institutionalizing continued public participation after the initial consultation process has ceased. Such commissions are used for other policy areas as well. Seldom is there any effort to co-ordinate the activities of these different sectoral bodies.

During the implementation phase and the revision of the plan, various instruments are used to encourage and facilitate public participation on issues of sustainable development. Apart from the Municipal Environmental Council, the local authority communicates information regarding sustainable development to the citizens. Web pages offer a vehicle for two-way communications between the government and the public. Sectoral administrative units maintain their own sets of contacts with both the general public and stakeholders particularly interested in or involved in their activities. Concern – and disappointment – was expressed with respect to the difficulties of mobilizing the public. Sustainable development does not 'live' as an issue that activates the citizens.

Local initiatives and the system of multi-level governance

On their own, despite their best intentions, local authorities are unlikely to possess the information, economic and technical resources necessary to undertake a serious LA21 planning process. A crucial factor for success in mobilizing local action on sustainable development is the institutional capacity building efforts of supra-local actors, as well as the networking activity of the local authorities themselves. However, one must be careful not to assume that multi-level governance always involves a top-down sequence of steps aimed at 'implementing national strategies of sustainable development'. This cannot be confined to local level or to a single municipality within a given territory. Both analysts and practitioners need to step beyond the local as the frame of reference and to engage with processes which shape local capacity and political will for sustainable development at multiple sites and scales of government. Moves at local levels reflect multiple moves by societal and governmental actors at higher (more comprehensive) levels. Consequently, it is necessary to describe the ways in which local sustainability is constructed and contested at a variety of scales of governance and through multiple political spaces.

Discussions of multi-level governance often assume that lower levels are doing something within the framework of, and in order to execute, national

policy strategies. In Spain, however, this has not been the case; we do not have here a case of implementing LA21 as part of a sequence of top-down moves through which national strategies for sustainable development are being carried out. The central government still does not have a national strategy for sustainable development.

Moreover, it has not taken any significant action to encourage, stimulate or guide regional and local actions on this matter. Consequently, there is no 'central government framework document' which structures how sustainability is to be achieved at the different levels of governmental action.

Even though the local level cannot be treated as a discrete and separate scale of political authority and action, there will be cases where local authorities have been more or less abandoned, due to the absence of framing and supporting action by higher levels of government. There can be essential gaps in the network of relations between levels of government action, which results in a lack of national guidance and the relative neglect and independence of local planning systems. Policy and planning do not necessarily move in linear fashion from higher levels to the detailed action plans of regional and local governments. Therefore, the experiences in Spain with LA21 tell us nothing about how implementation strategies for national sustainable development policy engage sub-national, regional and local actors at the sub-national level. On the contrary, the research shows that local authorities have themselves taken the initiative in action with regard to sustainable development within the context of LA21 initiatives. Sometimes this has been with the assistance of provincial and regional governments – but not in the sense that these provide a general normative framework within which local authorities work out and co-ordinate their initiatives.

There is also an important horizontal level to multi-level governance. This involves the relations between the local authorities themselves. It is interesting to note that there is little evidence, from the case studies, that inter-municipal development planning plays any role in framing the decisions taken by the individual local communities. When asked about such contacts, reference was made to the exchanges and co-operation within the Barcelona provincial LA21 network.[2] This network served as an important mechanism for informational and technical support and for the exploration of common problems. It provides structured arena and administrative support for continuing interaction and interchanges among municipalities – of all sizes – in the province. There is, however, no supra-local normative or problem-defining framework that would locate the plans of individual municipalities in a more overarching context and co-ordinate their separate plans against the background of a region-wide vision of sustainable development.

Concluding comments

The data presented here describe the situation in Spanish municipalities in the initial stages of implementing their commitment to sustainable

development. There continues to be a number of obstacles to integrated planning at the local level. Among them is the tendency to equate LA21 with 'improved' environmental management. Of course this 'misinterpretation' (not limited to local authorities) is reinforced by the tendency to locate responsibility for promoting and managing LA21 processes in the hands of those responsible for the environment. These officials are inclined to view the problem in sectoral environmental terms and, to the extent that they have a wider vision of sustainable development, are faced with the difficult task of overcoming the habits of mind and action that have developed around the different functional units and responsibilities. Added to this is the relative weak political and administrative position of the environmental units in local administration. This imbalance can be seen in the choice of instruments to introduce environmental considerations into economic and social policies. It is difficult to introduce measures that would impact directly on economic activities, thereby raising the question of trade offs and allocation of costs.

The data warns us to look behind the label 'LA21 Action Plan' because such plans may contain a good deal less sustainable development than the formal designation of the initiative would lead us to believe. In fact, in the Spanish case, the majority are called Environmental Action Plans. The integrative, trans-sectoral logic of sustainable development is often at loggerheads with the sectoral organization, habits of mind and focus of traditional systems of local administration. Although LA21 initiatives obviously have to respect (and find their place within) existing planning procedures and financial commitments, this fact of politico-administrative life appears to push LA21 Action Plans, at least in the initial round of planning and implementation, toward sectoral environmental planning and to leave more or less intact the traditional economic development oriented strategic planning. Nevertheless, there is some evidence, especially from the case studies, that over time more consideration is being given to making the environmental plan a more integral part of the overall strategic planning of the community. In this sense, while not immediately leading to 'real' sustainable development planning, the longer term impact of LA21 can be to contribute to a gradual reorientation of traditional sectoral planning.

In this connection it should be kept in mind that some of the case studies suggest that second – and subsequent – rounds of development planning tend to make an effort to integrate the social, economic and environmental strands of local development. This would indicate that local communities gradually come to understand more clearly what sustainable development 'means' and to apply this understanding to the planning of their communities. It seems that changes in traditional local government planning processes occur only gradually.

Furthermore, as we have seen, there is evidence of a gradual institutionalization of a potentially more integrative perspective in the administrative organization and management practices of some local authorities. The dis-

cussion on the relations between the separate administrative departments of more direct relevance for sustainable development suggests that, as a result of interaction and co-operation with respect to strategic planning and LA21 actions, closer and more continuous contacts are developing. Likewise, some municipalities, later in the LA21 process, are setting up units for either LA21 or specifically sustainable development in an effort to develop a capacity for more cross-cutting or 'transversal' action. Promoting and assisting in these efforts could be an important focus of a second generation of exchange and for support from higher administrative or governmental actors (for example, provincial governments or the regional government of an autonomous community). The same would hold for the work of the various networks of local authorities. After an extended round of information regarding what sustainable development is, and how to initiate LA21 processes, more attention will need to be given by all facilitating actors to helping local authorities build the capacities needed to overcome the obstacles set by traditional ways of doing government business. Such changes appear to be linked to the gradual operationalization of a system for monitoring progress in carrying out the tasks assigned to the different policy sectors, and to a stronger and more visible commitment of political leadership to LA21 as an overarching and integrative frame of reference for the political and administrative work of the municipality.

The experience with LA21 in Spain makes clear that local government continues to play the central role in giving the impulse for organizing and managing the LA21 planning process and then ensuring that the resulting action plans are implemented. Governance for local sustainable development continues to be carried by the political leaders and administrative officials of the municipal government. Most of the instruments and actions involved are familiar modes of government action connected with public planning and administration. Of course, all of this has been complemented by a serious effort to mobilize societal energies and resources, especially by means of extensive public participation in both the planning and implementation phases. An important point to remember, however, is that government needs to play a key role in creating an informed and interested public that can, subsequently, be mobilized for the realization of local sustainable development. It is not as though there is a public out there beating on the doors to be allowed in, to make known and to push their demands for sustainable futures.

New policy commitments do not enter an empty policy and institutional space. They must struggle to establish their own niche and to assert their claim for attention, support and resources. Effective implementation requires that existing institutions be adapted or reorganized. Nevertheless, despite the consensus of meanings and institutional requirements at the macro level, in order to establish itself at the local level, sustainable development has to contend with the local context-defining effects of pre-existing discourses, policy space and institutional arrangements. Neither the intrinsic

importance of the policy nor the functional logic of its effective implementation will, in themselves, determine its fate as it seeks to penetrate already existing structures, ways of thinking and working and relationships among different governmental and societal actors.

New policies are often seized by political and administrative actors on the lookout for a way to advance their claims and to strengthen their position relative to other policy domains and actors. In many of the Spanish municipalities, sustainable development was 'captured' by environmental policy actors and put in the service of both anchoring and extending this still relatively new field of action within local administration.

Moreover, in responding to the peculiar functional imperatives of sustainable development, institutional responses tended to be 'path dependent'. Sustainable development will be fitted onto already-existing structures, procedures, patterns of interaction and ways of doing things. Consequently, in the first round sustainable development initiatives were interpreted through institutional filters that had developed to process other policy commitments and developmental objectives. Only gradually, would a process of institutionalization reflecting the logic of sustainable development begin to take shape.

For the public, too, doing sustainable development is something that needs to be learned – the objective itself acquires priority and saliency that can be translated into active participation in and support for the planning and realization of more sustainable local development. Citizens are not out there wrestling with the hard decisions regarding the direction of sustainable development. As has been noted, it is not a question of providing opportunities for participation and then sitting back to wait for the crowd to come.

It should be clear that a transition toward paths of sustainable development is not only a question of institutional reforms (even though such changes are necessary). If the political will is lacking to support or even demand actions designed to achieve a more sustainable local development, this objective will be difficult if not impossible to achieve, irrespective of the appropriateness of the institutions of local administration.

Effective institutionalization will be, therefore, a complex series of institutional developments, social mobilization and political leadership. Getting these things right is something that can be learned. It remains, however, a process of gradual approximation towards practices more in line with the logic of the policy.

Notes

1 This chapter is based on the research project *Governabilidad y Medio Ambiente: las Agendas 21 Locales en España* (SEC99–1243) which was funded by the Spanish Ministry of Education and Culture. The case studies were updated in 2004–2005.
2 Xarxa de Pobles i Ciutats Cap a la Sostenibilitat (www.diba.es/xarxasost/cat/index.asp).

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5 Sub-national sustainable development initiatives in federal states in Germany

Kristine Kern

Introduction

Although Germany has earned the reputation of being a pioneer in many areas of environmental policy (Andersen and Liefferink 1997: 26–27) it was clearly a latecomer in crafting a national sustainable development strategy. Despite its inclusion on the national political agenda since the 1992 United Nations Conference on Environment and Development in Rio de Janeiro, no strategy was adopted in Germany until 2002 (Bundesregierung 2002). The consideration of this issue from a national perspective, however, neglects the fact that Germany is a federal state. Several *Länder* (federal states), such as North Rhine-Westphalia (NRW), Bavaria and Baden-Württemberg, had launched sustainable development initiatives before the national government took action. The *Länder* governments also supported Local Agenda 21 (LA21) initiatives from the outset. While the first agenda transfer agencies were set up in 1996 in NRW and 1997 in Bavaria, the National Service Agency for Local Agenda 21 (*Bundesweite Servicestelle Lokale Agenda 21*) was not established until 2002.

These initiatives show that the analysis of sustainable development in a federal state like Germany needs to start from a comprehensive perspective that includes the *Länder* governments and their initiatives. This chapter aims to develop an appropriate framework for the analysis of sustainable development initiatives in multi-level systems. It concentrates on new forms of governance for sustainable development which were developed and applied in the *Länder* to implement Agenda 21. The second section of this chapter focuses on sustainable development initiatives in multi-level systems in general and on the position of the *Länder* in the German and European multi-level system in particular. New forms of governance for sustainable development are presented in the third section, taking the *Länder*'s competences in the German federal system into account. Section four considers selected *Länder* programmes and ranks the initiatives of the *Länder* in the area of sustainable development, while section five discusses three pioneers in greater detail: Bavaria, NRW and Thuringia. The main question here aims at the *Länder*'s commitment to sustainable development: is it restricted

to a declaratory level or does it also contain commitments in policy context and policy contents? This question also refers to the discussion by Connaughton *et al.* in Chapter 6 of this book, which explores 'rhetoric or reality' in Irish policy for waste management. The sixth and final section contains a summary of the analysis and findings and discusses the preconditions for sustainable development and the different models which have developed in the German federal states to promote this goal.

Governance for sustainable development in the German and European multi-level system

The *Länder* are part of the German federal system as well as the European multi-level system. The EU has developed into a system with multiple levels or spheres of governance, including European, national and sub-national policy arenas (Hooghe and Marks 2001, 2003; Bache and Flinders 2004). The concept of multi-level governance deals with shifting competencies between institutions at these different levels. Authority has been transferred from the national to the supra-national but also to the sub-national level (Pierre and Peters 2000: 77; Rosenau 1997: 31). Furthermore, the concept comprises not only direct state regulation but also the whole range of actions and institutions which supply order. This means that authority has not only become dispersed across multiple territorial levels but also among a variety of private and public actors (Rosamund 2004: 121). Boundaries between different policy arenas have been blurred because many policy actors may become active at different levels and pursue multi-level strategies such as venue shopping (Rosamund 2004: 120; Baumgartner and Jones 1993). *Länder* competences have been restricted rather than extended in the process of European integration. However, *Länder* use formal channels such as the Committee of the Regions as well as informal channels to lobby EU institutions and influence decisions which have direct impacts on the regional level such as the distribution of Structural Funds. The German *Länder* are among the most powerful regions in Europe and among the very few regions which gained direct access to the Council of Ministers meetings as part of Germany's delegation, at least if their competences are directly affected by Council decisions (Hooghe and Marks 2001: 83). All German *Länder* have opened offices in Brussels to represent their interests at the European level more effectively.

In the area of environmental policy, authority has shifted mainly upwards, from the local to the European level. Before environmental policy was institutionalized at the European and national level, the *Länder* took the initiative in such areas as air or water pollution. The first air pollution laws were enacted in 1962 in NRW, followed by Baden-Württemberg (1964), Lower Saxony, and Bavaria (both in 1966). Furthermore, these *Länder*-level initiatives exercised a broader impact. The first federal air pollution law (*Bundes-Immissionsschutzgesetz*), which was enacted in 1974, was drafted on

the experiences of the *Länder* (Hansmann 2001: 771). At present the European and the national government dominate environmental policy-making in many areas, including air pollution control, noise abatement, waste management, chemicals, genetic engineering and nuclear safety. The *Länder* have legislative powers in other areas (Hansmann 2001: 770–772; Peine 2001) such as nature and landscape conservation and water management and are also responsible for the implementation and enforcement of environmental laws and regulations. Since 2003 a reform of German federalism has been discussed. For environmental policy, the proposal has been to strengthen the competences of the federal government in the areas of nature and landscape conservation and water management but grant the *Länder* extensive rights to depart from federal legislation (Sachverständigenrat für Umweltfragen 2006).

The most prominent form of institutionalized co-operation and co-ordination between the *Länder* governments and the federal government is the *Umweltministerkonferenz* (UMK) (Conference of Environmental Ministers). The UMK, which was established in 1973, convenes twice a year. Its main goal is to facilitate the exchange of information between the federal government and the *Länder* and to ensure the harmonized implementation of federal laws and regulations. It has eight working groups, including a working group on sustainable development (*Bund-Länder Arbeitsgemeinschaft Nachhaltige Entwicklung*, BLAG NE). This working group is in charge of sustainable development strategies both at the federal level and in the *Länder*. It is further tasked with the development of criteria for core indicators for sustainable development, Local Agenda 21 and climate protection policy. Although the BLAG NE collects and publishes information, its work seeks to harmonize implementation rather than to spread best practices.

There is no clear separation of power between the federal government and the *Länder* in the area of sustainable development. The *Länder* not only implement federal sustainable development policies but have the authority to complement these policies and carry on their own initiatives, which can differ from national initiatives. This means that the federal government as well as the *Länder* governments are engaged in policy-making, including different funding schemes for sustainable development programmes. Traditionally, the analysis of environmental policy in federal systems has dealt primarily with the question of how federal state structures influence policy-making and policy implementation (environmental federalism). In the German debate on federalism, there is a strong emphasis on the veto power of sub-national governments. Thus, it is necessary to take a broader view and include general reflections on policy learning and policy transfer within federal structures. Two dimensions of environmental federalism are of special interest in this regard: (1) federal–state relations which determine the opportunities for policy learning between the states and the federal government; (2) the horizontal relations between the states which can foster the spread of innovations among the *Länder* governments. Both processes are

intertwined as horizontal learning between states can lead to the development of similar policy innovations at federal level. Such forms of policy diffusion have already been studied in the US where federal structures act as 'laboratories of experimentation' (Rabe 2004; Scheberle 2004; Kern 2000; Gray 1994). Successful innovations are adopted subsequently by other states or the federal government.

In Germany, the discussion on policy transfer has not yet fully reached the *Länder* level. The relationship between the federal government and the *Länder* has traditionally been shaped by hierarchy, although there is some evidence that *Länder* initiatives can trigger discussions at the federal level. Moreover, competition between the *Länder* and institutionalized forms of policy learning and transfer is not as developed in Germany as in other multi-level systems like the US. This phenomenon is due to the fact that the states in the US are free to set higher standards than the federal minimum in many policy areas. Thus, the states in the U.S. have greater regulatory power than the *Länder.* However, whether or not the *Länder* exploit their potential and learn from each other or tend to ignore best practices developed in other *Länder* remains an open question.

New forms of governance for sustainable development

Sustainable development initiatives developed at *Länder* level draw on three different concepts. First, it is founded on the principles of Agenda 21, such as the strengthening of the role of major groups and its strong emphasis on participation and consultation. References to Agenda 21 and the Brundtland Commission's Report can be found in most *Länder* programmes. Second, the development of such strategies is influenced by changing concepts on global governance which focus on various forms of governance beyond the traditional forms of inter-governmental co-operation, such as global policy networks or private–public partnerships. These new forms of private authorities do not substitute but complement state-centred concepts on governance for sustainable development. Third, the debate on new environmental policy instruments, which predates the discussion on sustainable development, focuses primarily on national environmental policy, the deficiencies of command-and-control approaches and alternative policy instruments which may solve such problems (for example eco-taxes, eco-labels or voluntary agreements).

For the analysis of governance for sustainable development at the *Länder* level four different types of governance for sustainable development appear as highly relevant: (1) *governing through policy integration in multi-level systems* concerns the structure of policy programmes and the institutional set-up that implements them; (2) *governing through participation and representation* is an approach that is oriented towards actors and procedures, dealing with the involvement of stakeholders and citizens in decision-making and implementation; (3) *governing through partnerships and voluntary agreements* is a form of

stakeholder involvement (state–business co-operation) which is not limited to decision-making but can also include implementation; and (4) *governing through benchmarking and policy transfer* relates to inter-organizational policy learning and transfer, often fostered by external transfer agencies.

Governing through policy integration in multi-level systems

The necessity of policy integration (Jacob and Volkery 2003: 13; Lafferty and Hovden 2003: 12, 20; Jordan and Lenschow 2000), also referred to in Chapter 8 of Agenda 21, has been discussed at different levels of government. Policy integration has both a vertical dimension (within a particular governmental sector) and a horizontal dimension (cross-sectoral policy integration) (Lafferty 2004: 205–206; see also Chapter 1, this volume). At the European level the debate on policy integration was triggered by the Cardiff Process launched in 1998, which aims at the integration of environmental policy at the sectoral level. It led to the development of environmental integration strategies for all sectors which are relevant for sustainable development such as energy or agricultural policy (Baker 2006: 148–154). Environmental policy integration at European and national level is an important precondition for the successful implementation of sustainable development strategies at sub-national level. The need for policy integration is most obvious when analyzing the debate on sustainable development in the *Länder.* As at national level, a transition from discussions focusing on environmental policy to debates on sustainable development can be found. Thus, policy integration plays a central role in the creation of sustainable development plans and strategies. Moreover, policy integration is essential in the development of climate action plans and strategies because climate change policy affects such different areas as energy, transport or agriculture policy.

Governing through participation and representation

The term participatory governance has both a normative and descriptive dimension (Geißel 2004; Grote/Gbiki 2002; Heinelt *et al.* 2002; Schmitter 2002). Four elements appear to be fundamental to engagement with sustainable development: (1) adequate representation of stakeholder interests; (2) deliberative engagement among the stakeholders; (3) the application and integration of different forms of knowledge to decision-making; and (4) the promotion of societal learning (Meadowcroft 2004: 166–167). This general discussion has played a major role in the debate on the implementation of Agenda 21. The participation of stakeholders and citizens is one of the key issues of Agenda 21 which, among other things, aims to strengthen the role of major groups (Agenda 21, section 3). Thus, new forms of both stakeholder and citizen participation became one of the most relevant issues concerning the development of Agenda 21 at different levels of government.

Consultation processes were organized at the European, national, regional and local level and changed the dominant state-centred type of governance from the global to the local level. In some German *Länder*, such as Berlin or NRW, extensive consultation processes were started which aimed at the development of a sustainable development strategy for the *Land* (Landes-Agenda 21).

Governing through public–private partnerships and voluntary agreements

Voluntary agreements are new environmental policy instruments which first emerged in Germany in the late 1980s. They can be interpreted as a specific form of stakeholder participation combined with self-governance in the implementation phase. Agreements between government, on the one hand, and business/industry, on the other, play an important role in the implementation of Agenda 21 – from the local to the global level. They are a form of public–private partnership. Such agreements were first introduced at the national level but later also promoted by the EU. They are preferred, and often demanded, by business but also heavily criticized by environmental NGOs because of a lack of monitoring and enforcement. The first-generation agreements targeted special environmental issues in the steel or chemical industry and were, therefore, sectoral in nature. Within the *Länder*, the first 'environmental pact' (*Umweltpakt*) between the business sector and a state government emerged in Bavaria in 1995 and became a model for many other *Länder.* It follows a comprehensive approach and is not restricted to a specific environmental policy issue or economic sector.

Governing through benchmarking and policy transfer

Finally, both benchmarking and best practice transfer have become important issues. A discussion on benchmarking has begun, but such tools have not yet been applied systematically to environmental policy and sustainable development. Internationally, the Organization for Economic Co-operation and Development's (OECD) Environmental Performance Reviews or the Environmental Performance Index (Yale Center for Environmental Law and Policy and Center for International Earth Science Information Network 2006) can be regarded as a first step towards benchmarking national environmental policy. Benchmarking has also become a new form of governance in the European Union, where it is known as 'Open Method of Coordination' (OMC), although it has been primarily applied on policy areas where the EU's competences are rather limited, such as employment policy. Furthermore, voluntary policy transfer has always played an important role in federal systems, especially in the US, where policy diffusion among the states has become a well-known phenomenon. The underlying idea here is that states can learn from one another and policy innovations can be

transferred between jurisdictions. Although this new form of governance appears to be less important for the German federal system, similar tendencies can also be found in Germany, for example the UMK discussion on core indicators of sustainable development. This would allow a more systematic comparison of the performance of the German *Länder.* Finally, benchmarking and best practice transfer have already become an important driver for the spread of LA21, which improves when agenda transfer agencies are established. Today, in most *Länder* such transfer agencies exist (Kern *et al.* 2004).

Sustainable development initiatives in the German *Länder*

Based on this overview of new forms of governance for sustainable development, selected *Länder* initiatives will now be studied in more detail. Four policy areas were chosen: (1) plans and strategies in the area of environmental policy and sustainable development; (2) climate change action plans and strategies; (3) environmental pacts between *Länder* governments and the business sector; (4) programmes supporting local sustainable development strategies. These four areas encompass cases, such as climate change policy, where Germany was an international pioneer, as well as cases, such as the development of a national sustainable development strategy and the support of local sustainable development strategies, where Germany lagged behind other countries. Furthermore, all four areas include new forms of governance and policy instruments. While policy integration and participation are relevant for sustainable development strategies and climate change action plans, environmental pacts are a special form of voluntary agreements and the support of local sustainable development strategies by the *Länder* includes the establishment of agenda transfer agencies at the *Länder* level. The analysis of the four policy areas will lead to a twofold comparison: first, in terms of the vertical dimension, the activity levels of the federal government and the *Länder* will be compared. It can be assumed that both levels influence each other and that the *Länder* become most active when the federal government is least active and vice versa. Second, in terms of the horizontal dimension, the *Länder* will be compared and ranked according to their activity in the four areas. It is expected that the historical patterns, wherein the most populous and richest *Länder* are the most active, will reappear.

Environmental plans and sustainable development strategies

When national sustainable development strategies in OECD countries are analysed, the conclusion to be drawn is that Germany has never been within the group of pioneers in this field. The approach involving strategic, goal-oriented environmental planning spread very rapidly in the 1990s not only among established industrial countries, but also in newly industrialized and

developing countries. Within a decade of the adoption of the first national environmental plans in Denmark, Sweden, Norway (1988) and the Netherlands (1989), over two-thirds of OECD countries had adopted national environmental plans or sustainable development strategies (Jänicke and Jörgens 1998; Kern *et al.* 2000). Germany had not yet enacted a national sustainable development strategy when a coalition of the Social Democratic Party (SPD) and *Bündnis 90/Die Grünen* (Green Party) came in power in 1998. Sustainable development was formally incorporated as a goal in its coalition agreement and the government took definitive steps toward achieving this goal, including the assembly of a 'Green Cabinet' within the government and the establishment of the German Council for Sustainable Development (*Rat für Nachhaltige Entwicklung*, RNE). The first proposal for a national sustainable development strategy was presented in December 2001; following some modifications, the final version was adopted in April 2002, and a comprehensive progress report was published in 2004 (Bundesregierung 2002, 2004).

Today, 11 out of 16 *Länder* have developed an environmental plan, a *Landes*-Agenda 21 or a sustainable development strategy (Table 5.1). The Bavarian government introduced the 'Bayern-Agenda 21' in 1997. Bavaria's leadership show the greater advantage in comparison with the red–green government's national sustainable development strategy, which was only introduced in 2002, when the Bayern-Agenda 21 had already been revised. All of the *Länder* that have such a plan in place use similar approaches, but their specific strategies varied considerably. The general tendency was toward integrated sustainable development strategies and the definition of qualitative and quantitative goals in the plans. Most *Länder* initiated broad public consultation processes. Another tendency was to establish advisory councils whose members usually represent stakeholder groups (Bundesregierung 2004: 31–36).

Climate protection strategies and climate action programmes

In marked contrast to its inactivity in national sustainable development policy-making, Germany was in the vanguard of international efforts to enact climate change policy prior to the 1998 federal elections. An ambitious CO_2 emissions reduction programme was introduced as early as 1990. From an international perspective, Germany was the most successful country regarding the reduction of CO_2 and the other greenhouse gases, although it must be noted that almost 50 per cent of this reduction was caused by the collapse of the East German economy after reunification, in particular by the mid-1990s (Scheich *et al.* 2001: 364, 378). In their coalition agreement of 1998, the SPD and the Green Party stressed the national climate protection target to reduce CO_2 emissions by 25 per cent until the year 2005 (compared to 1990 levels). A primary impetus towards the fulfilment of this goal was the decision to launch a national climate protection programme in

Table 5.1 Sustainable development in the German *Länder*

Länder	(1) Environmental plan, sustainable development strategy (Länder-Agenda 21)		(2) Climate protection strategy, Climate action programme		(3) Voluntary agreement ('environmental pact')		(4) Support of local sustainable development initiatives		*Overall activity level*
	Adoption/ revision in	*Activity level*	*Adoption/ revision in*	*Activity level*	*Adoption/ revision in*	*Activity level*	*Adoption/ revision in*	*Activity level*	
Bavaria	1997/2002	high	2000/2003	medium	1995/2000/2005	high	1997/1998	high	high
Berlin	2006	high	1994/2000	medium	1998	medium	1997	high	high
Baden-Württemberg	2000	medium	1994/2000	medium	1997	high	1998/1999	high	high
Thuringia	2000	medium	2000/2002	medium	1999/2004	high	1999/2000	high	high
North Rhine-Westphalia	(2005)	medium	2001/2005	high	–	–	1996	high	high
Hamburg	2001/2003	medium	1990/2002	medium	2003	medium	(2002)	medium	medium
Mecklenburg-Western Pomerania	2006	medium	1997/2002	medium	2001	medium	1999/2000	medium	medium
Hesse	2002	low	(2004)	medium	2000/2005	medium	1998	medium	medium
Bremen	–	low	1994/2001	medium	2003	medium	1997	medium	medium
Lower Saxony	1998	medium	(2000)	medium	–	–	2001	low	medium
Schleswig-Holstein	2000/2004	medium	1995/2004	medium	–	–	1997/1999	low	medium
Saarland	2003	low	1998	low	2002	medium	–	–	low
Saxony Anhalt	–	–	1998/2003	low	1999	low	1997	low	low
Brandenburg	–	–	1996/2002	low	1999/2005	low	2001	low	low
Saxony	–	–	2001/2004	low	1998/2003	low	1998	low	low
Rhineland-Palatinate	1999	low	–	–	–	–	1996	low	low
Federal Government	2002	high	1990	high	2000	medium	2002	low	high

October 2000. The programme confirmed the ambitious 25 per cent reduction target and divided the responsibility for the remaining reduction among private households, buildings, energy, industry and transport. Although the re-elected red–green coalition agreed in 2002 to continue their efforts and to maintain Germany's pioneer status in this area (Kern, Koenen and Löffelsend 2004), the ambitious national goal for 2005 was eventually not reached. In the revised national climate protection programme of 2005 (Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit 2005) it is not even mentioned. Instead the Kyoto goal and Germany's target under the EU's burden-sharing agreement (21 per cent reduction for the period 2008 to 2012) have become the point of reference for federal climate change policy.

As Table 5.1 shows, almost all *Länder* have adopted energy programmes and climate protection strategies (Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit 2005: 29–33). Most of these programmes were revised after the red–green government came in power. This means that most *Länder* reacted to the policy of the red–green government and the debate on the national climate protection programme. North Rhine-Westphalia explicitly supported the ambitious reduction goal of 25 per cent set in the national climate protection programme. In contrast, Bavaria opted for a lower target at state level because CO_2 emissions per capita are 30 per cent below national average in Bavaria (Klimaschutzkonzept der Bayerischen Staatsregierung 2000: 5) – due to the high share of nuclear energy in the power generation (about 60 per cent). Most *Länder* provide financial support for energy savings or other measures related to climate protection. In Baden-Württemberg and Bavaria, 'environmental funds' (*Umweltfonds*) cover climate protection measures, providing financial support of local investments. In general, support is limited to a certain percentage of the overall cost of climate protection.

Environmental pacts between state and industry

The first voluntary agreements between national governments and industry emerged in the 1960s in Japan. Today, all OECD countries have established voluntary and co-operative agreements between firms and regulatory authorities (Ruud 2004: 232–233). In Germany, voluntary agreements first appeared in the late 1980s, but these early versions were restricted to specific industries such as the automobile or chemical industry (Bundesverband der Deutschen Industrie 2004: 8–9) and can be labelled 'unilateral commitments' (Jordan *et al.* 2003: 11) because they did not directly involve the state. Among the member states of the EU, Germany and the Netherlands have adopted the largest number of voluntary agreements. Today, around 130 voluntary agreements exist in Germany. This may be attributed to a coalition agreement adopted in 1994 by the then-conservative government which stated a general preference for voluntary agreements above traditional

regulatory instruments and led to the increasing importance of voluntary agreements. An agreement between the government and the business sector regarding the reduction of carbon dioxide (and other greenhouse gas) emissions was first adopted in 1995, supplemented in 1996 and updated in 2000 (Wurzel *et al.* 2003: 129–130).

The *Länder* also adopted a considerable number of voluntary agreements. In 1995, Bavaria became the first state to negotiate an environmental agreement with industrial umbrella organizations, the so-called 'environmental pact Bavaria' (*Umweltpakt Bayern*), which was funded by the Bavarian government. This pact served as a model for many other *Länder*, which negotiated similar agreements. Today, agreements have been reached in 12 *Länder* (Table 5.1); however, some *Länder* opted for a less comprehensive version and adopted only specific parts of the Bavarian model. Apart from Bavaria, the most comprehensive agreements exist in Baden-Württemberg and Thuringia (Bundesverband der Deutschen Industrie 2004).

Support of local sustainable development initiatives

In the European context, Germany is one of a group of countries that were relative latecomers in implementing Local Agenda 21 (Eckerberg *et al.* 1999: 243; Lafferty and Coenen 2001: 272–273). Due to the fact that the national government did not support LA21 initiatives, local sustainable development was mainly left to the *Länder*. They sought to catalyze the diffusion of LA21 through specialized agenda transfer agencies and developed funding plans for local sustainable development initiatives. The first agenda transfer agency was Agenda-Transfer in North-Rhine Westphalia, which was established in 1996 as an independent agency apart from government. This development was followed in 1997 by the creation of 'KommA 21 Bayern', which is the LA21 headquarters for Bavarian municipalities and part of the Bavarian government. This state of affairs did not change fundamentally until 2002 when the National Service Agency for Local Agenda 21 (*Bundesweite Servicestelle Lokale Agenda 21*) was finally established. This agency was merely an expanded version of the transfer agency set up in NRW in 1996. It acted as a platform for dialogue and as a service provider for all those involved in the Agenda process and for the media and other interested parties.

Funding programmes for the promotion of sustainable development at the local level were primarily established by *Länder* governments (Table 5.1), and these plans appear to constitute a decisive factor in the spread of LA21 throughout the *Länder* (Kern *et al.* 2004). Thus, the *Länder* (funding) programmes are crucial for the dynamics of local sustainable development in Germany. Almost all *Länder* have developed activities to support local sustainable development strategies directly. Besides the already discussed establishment of agenda transfer agencies, these measures concentrate on (1) direct financial support for model projects such as low-energy housing; (2)

direct financial support (subsidies, loans) for specific measures like the development of a LA21 strategy or energy savings in old buildings; and (3) counselling services for specific target groups like businesses or consumers. Although programmes which aim to provide financial support for local actors can be found (to a certain extent) in all *Länder*, the prosperous *Länder* in the south appear to spend more than their poorer peers in the former GDR (Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit 2004). The differences between *Länder* emerge most clearly when general environmental funds (*Umweltfonds*) are examined which have been established only in Bavaria and Baden-Württemberg. In Baden-Württemberg municipalities can apply for funding for measures in the areas of climate protection, waste management and water management. The Bavarian programme is not restricted to municipalities and aims to provide financial support for environmental education, climate protection, soil protection, environmental protection in the business sector and genetic engineering research. Apart from the financial support of the *Länder*, LA21 activities are underwritten by a variety of different non-governmental actors, in particular private foundations at both federal and regional levels. The most important foundation at federal level is the *Deutsche Bundesstiftung Umwelt* (DBU), which is discussed by Baker and Eckerberg in Chapter 2 of this book.

Sustainable development in the Länder: activity levels and policy diffusion

When all four areas of activity are ranked and these single rankings are combined (see Figure 5.1, Table 5.1), Bavaria, Berlin, Baden-Württemberg, Thuringia and North Rhine-Westphalia emerge as pioneers.[1] At the bottom of the league are the relatively small *Länder* of Rhineland-Palatinate in the western part of Germany and Brandenburg in the eastern part. The study shows, as expected, that the most populous and wealthy *Länder* are in the vanguard not only of environmental policy-making but of sustainable development initiatives. However, Thuringia which is a relatively small *Land* located in the former GDR has developed from laggard to latecomer within the last few years. In contrast to the historical precedents which examined only the differences between *Länder* in the former West Germany, the comparison of all *Länder* reveals the somewhat unexpected result that at least some *Länder* in the former GDR have become quite active in sustainable development policy-making, even more active than medium-sized *Länder* in the west of the country. This can be explained by the fact that Agenda 21 was decided in 1992, only three years after German reunification. In the first years after reunification, institution-building was still in an early phase and this opened a window of opportunity for sustainable development policies in the eastern *Länder*.

A result that was less evident from the outset is the influence of party preferences on policy learning and diffusion within Germany's federal
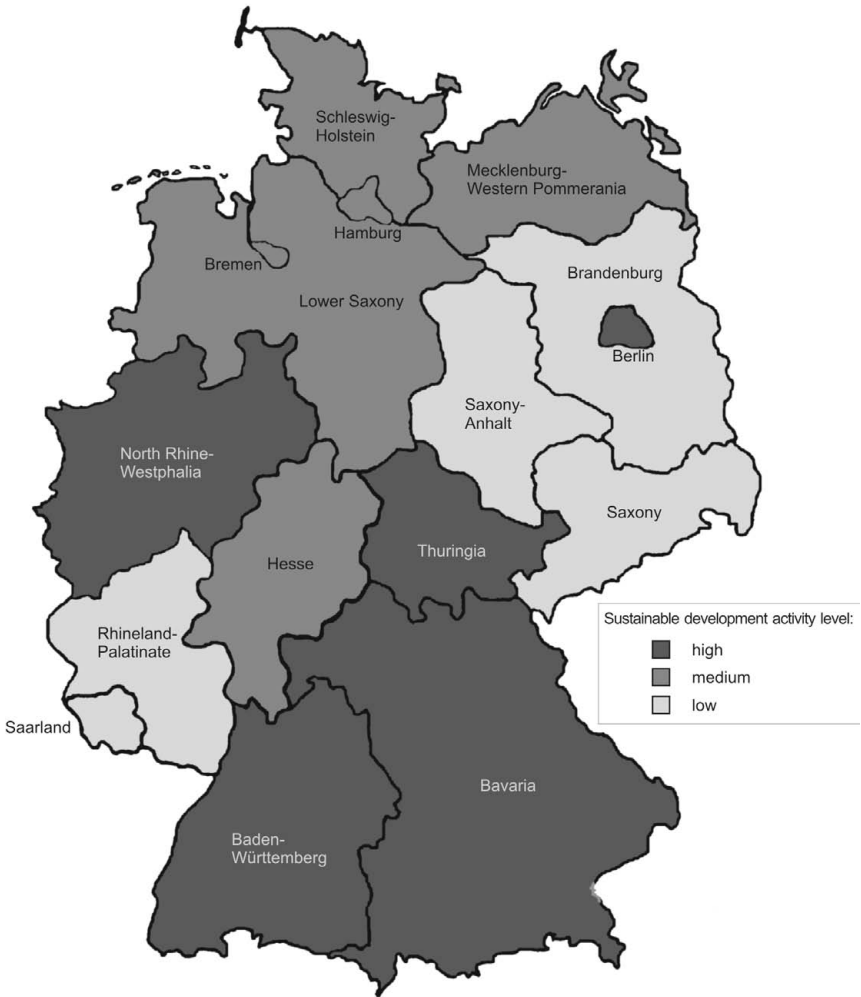
Figure 5.1 Sustainable development in the German *Länder*.

system. This can best be shown when comparing conservative Bavaria and red–green North Rhine-Westphalia (until 2005). While relations between the then red–green governments in Berlin (federal level) and Düsseldorf (State of North Rhine-Westphalia) appeared to foster vertical policy diffusion, tensions between the red–green government in Berlin and the conservative government in Munich (Bavaria) had the opposite effect. North Rhine-Westphalia supported the CO_2 emissions reduction targets defined in the federal red–green government's national climate protection programme (top-down diffusion), and, conversely, North Rhine Westphalia's agenda transfer agency was extended to the federal level (bottom-up diffusion). The

picture for Bavaria is completely different: Bavaria rejected the federal CO_2 emissions goal, or at least its application on Bavaria (no top-down diffusion), and its environmental pact had no influence on federal environmental policy although the Bavarian Prime Minister Edmund Stoiber suggested that the pact could become a model at the federal level (Wurzel *et al.* 2003: 130) (no bottom-up diffusion). In terms of horizontal policy diffusion, the differences are less pronounced. The first *Länder* which followed Bavaria's lead and negotiated environmental pacts with industry were Baden-Württemberg and Saxony. Although the Bavarian environmental pact was transferred to many other *Länder*, NRW under its red–green government (1995–2005) never introduced anything similar. After the red–green government in NRW was replaced by a conservative–liberal coalition in 2005 it has become very likely that NRW will eventually adopt this Bavarian innovation.

Sustainable development in selected *Länder*

Having compared the activity levels of all of the Länder in the previous section, this section will focus on specific, selected case studies. The main purpose of this section is to analyse the *Länder's* commitment to sustainable development. The three *Länder* chosen for closer examination (North Rhine-Westphalia, Bavaria and Thuringia) represent different types of pioneers. Traditionally, Bavaria and North Rhine-Westphalia have been the most innovative *Länder* in West Germany and have served, therefore, as models for other *Länder* governments. Although Bavaria and North Rhine-Westphalia are both pioneers, as demonstrated in the preceding section, they prefer different policy approaches. Thuringia was selected as the third case because this state has recently developed from a laggard into a latecomer and can, therefore, serve as a model for the eastern states.

Sustainable development in Bavaria

In the area of environmental policy and sustainable development, Bavaria has always been a trendsetter among its peers (Hansmann 2001: 771). Bavaria was the first German state to institutionalize environmental protection in its government and create a ministry for development and environmental issues (*Staatsminsterium für Landesentwicklung und Umweltfragen*) in 1970. Bavaria was also the first to include environmental protection in its constitution in 1984; a corresponding change to the federal constitution was not made until 1994 (Kösters 2002: 136). Thus, it comes as no surprise to learn that the Bavarian government was quick to react to the decisions of the Rio Summit. Bavarian Prime Minister Stoiber laid the basis for the implementation of Agenda 21 in Bavaria with his declaration of 1995 (Bayerisches Staatsminsterium 2002: 6; Bundesregierung 2004: 31). The environmental pact with the business sector was signed the same year.

Thanks to the financial support provided by the state, 580 EMAS certifications were accomplished in the first phase (1995 to 2000) although only 500 had been planned (Jörgensen 2002: 21). The agreement was revised in October 2000. Ninety-five per cent of all goals and measures had already been implemented by 2004. Even before the World Summit in Johannesburg in 2002, the first results of this Agenda 21 had been evaluated and an action programme, Sustainable Development Bavaria (*Aktionsprogramm nachhaltige Entwicklung Bayern*), was presented (Bundesregierung 2004). The Bavarian government also adopted a climate protection policy in 2000 and revised it in 2003. The concept, which is linked to the environmental pact and to local climate protection activities, supports the further development of renewable energy resources but also clarifies its affirmative position towards nuclear energy. Moreover, Bavaria has exercised leadership in implementing LA21. By July 2006, around 700 cities, towns and counties in Bavaria passed resolutions for the initiation of LA21. Remarkably, not only 30 per cent of the cities and towns, but also about 85 per cent of the state's counties have passed a LA21 resolution. The municipalities active in LA21 represent 60 per cent of the population (Technische Universität München 2003: 169, 173).

Bavaria's high sustainable development activity level can be explained by a number of factors but especially its socio-economic capacities because Bavaria accounts for more than 17 per cent of Germany's gross domestic product (GDP). In the 1960s Bavaria transformed herself from a primarily agricultural region into one dominated by industry, technology, and services. Nonetheless, agriculture remained 'rooted in the souls of the people' (März 2002: 45–47). Socially and politically, Bavaria is a conservative state. The conservative people's party, the *Christliche-Soziale Union* (Christian Social Union) or CSU, has been in power there since 1957 (März 2002: 44). The CSU approach to sustainable development combines a conservative attitude towards nature with government-industry co-operation, support for the high-tech industry and a clear pro-nuclear stance. In addition to these economic and political factors, sustainable development is an issue which is still high on the political agenda because it is supported by the Prime Minister who is a policy entrepreneur in this area. Finally, Bavaria is also a pioneer regarding its 'foreign policy'. An example is the recently revitalized co-operation agreement between Bavaria and California.

Sustainable development in North Rhine-Westphalia

Like Bavaria, North-Rhine Westphalia (NRW) has always been an environmental policy pioneer. The first air pollution law was enacted in NRW as early as 1962, which is remarkable – even from an international point of view. Another example of this state's visionary approach is its introduction of the first funding programme for renewable energy sources (*'Rationelle Energieverwendung und Nutzung unerschöpflicher Energiequellen'*; REN) in 1987,

long before the federal government started to promote renewable energy production. In 2000, the state government appointed a governing committee at the under-secretary level whose task was to develop a broad and integrative strategy for sustainable development for the whole state of North Rhine-Westphalia. This committee was advised by the 'Council for the Future' (*Zukunftsrat*), which consisted of 28 prominent individuals from politics, economics, trade unions, churches and other organizations. A broad agenda consultation process was initiated in 2002. In the framework of this Agenda 21 process, mission statements, goals and indicators were developed for all relevant policy areas, agenda projects were launched, networks were created and best practice cases were documented. In close cooperation with all other relevant ministries, the state government drafted a report which, based on the results of the agenda process and a report of the Council of the Future, contains the basic principles for a sustainable development strategy for NRW. However, a formal decision had not been taken when the coalition between the Social Democratic Party (SPD) and the Green Party was replaced by a new government, a coalition between the Christian Democratic Union (CDU) and the Liberal Party (FDP) in fall 2005. However, NRW has had a climate protection programme, *Klimaschutzkonzept NRW*, since 2001. The development of this programme was linked to the Agenda 21 NRW process and this concept is based directly on and complementary to the first national climate protection programme, which aimed to reduce CO_2 emissions by 25 per cent through 2005 (based on the emissions levels in 1990). Furthermore, NRW also initiated an LA21 process at an early stage. Compared to the rest of Germany, a high percentage of cities passed LA21 resolutions (about 65 per cent of the municipalities, as of 2006). In terms of the percentage of municipalities with LA21 resolutions, NRW has been a leader from the outset. The early and professional establishment of an agenda transfer institution, the very first in the country, was also highly advantageous to the development of LA21 in the state.

As in Bavaria, the high commitment to sustainable development activity in NRW can be explained mainly by the latter's socio-economic capacities. NRW is the most densely populated German state. In economic terms, NRW accounts for 22 per cent of the country's GDP. NRW used to be the centre of Germany's coal and steel industries and the state's transformation to a high-technology industry and services base is still under way. Since the 1960s NRW has been governed by the SPD or by a coalition of the SPD with a smaller partner until 2005. The red–green coalition, which has been in power from 1995 to 2005 (Kost 2002: 189), has certainly fostered the development of sustainable development initiatives in NRW. In contrast to Bavaria, NRW demonstrated a lack of interest in government-industry cooperation and a strong orientation towards Berlin's red–green policy, which became most evident in NRW's climate strategy. This situation has been changing recently because the new conservative–liberal government in

Düsseldorf favours government–industry co-operation and plans to establish an environmental pact for NRW.

Sustainable development in Thuringia

Thuringia is the most active state of all the eastern *Länder* in the area of sustainable development. In 2000, the government of Thuringia adopted its '10 Guidelines for the Implementation of Agenda 21 in Thuringia' ('*10 Leitlinien zur Umsetzung der Agenda 21 in Thüringen*'); this document appears to be unique in Germany. In it, the Thuringian government explicitly endorses LA21 initiatives and outlines a project and target group-related approach to their implementation. The state further plans to put more emphasis on topic-oriented co-operation, in the area of climate change policy, for example. Since 1998, all of the relevant groups have participated in the climate protection process. The close co-operation which exists between the government and business sector was extended in March 2004 (Bundesregierung 2004: 36). By July 2006, 282 out of about 1,000 cities and towns and about half of the counties in Thuringia had passed an LA21 resolution. However, groundbreaking activities were launched even before LA21 was adopted in 1992. GET Agenda 21, a state-wide agenda transfer institution, was established jointly in 1999 by the Thuringian Association of Urban and Local Authorities (*Gemeinde- und Städtebund Thüringen*) and the Thuringian Ministry of Agriculture, Nature Conservation and the Environment (*Thüringer Ministerium für Landwirtschaft, Naturschutz und Umwelt*) (TMLNU). Also in 1999, four regional agenda transfer offices were set up. Although they are funded by the state government, formally they are NGOs. The state-wide agenda transfer institution GET Agenda 21 was forced to end its work in late 2002 and, today, the TMLNU and the four regional Agenda transfer offices share LA 21 consultancy tasks. This regional approach has proved successful as LA21 resolutions have strongly increased in the last years.

Because Thuringia belonged to the former German Democratic Republic (GDR), it is surprising that this state shows a high level of activity and commitment with regard to sustainable development. Thuringia is a relatively small state with only about 2.4 million inhabitants. The region has major economic problems, especially a high unemployment rate. Despite these problems, Thuringia is nevertheless one of the best performing of the new *Länder.* A few major industrial companies are located in Thuringia; otherwise economic activity is concentrated mainly in small and medium-sized businesses. Since reunification Thuringia is located in the centre of Germany and has become Bavaria's neighbour to the north. Today, Thuringia is governed by the conservative Christian Democratic Party (CDU), which has been in power since 1999. Therefore, close co-operation between these two *Länder* has characterized various policy areas since reunification.

Conclusions

This study on sustainable development in the *Länder* clearly shows that *inter*national comparisons should be complemented by *intra*national comparisons between sub-national governments. This becomes especially evident when relatively large federalist countries like Germany are compared with relatively small unitary countries like the Netherlands or Sweden. It should be kept in mind that some *Länder* have more inhabitants and a higher gross national product than many EU member states. From an international comparative perspective, Germany has been a pioneer in some areas of sustainable development, such as climate protection policy, but a laggard in other areas, such as strategic planning for sustainable development. *Länder* policies in the area of sustainable development have not been examined systematically up to now. This study shows that several of the *Länder* started their own initiatives only a few years after the Rio conference in 1992. They adopted *Landes*-Agenda 21s and climate protection strategies; they negotiated environmental or sustainable development pacts with industry and established funding programmes for local sustainable development. Areas in which the federal government has been a laggard are of particular interest because this lack of national action opens a window of opportunity for *Länder* initiatives. Thus, the *Länder* became most active in areas where the federal government did not act. The most interesting innovation in this respect is the Bavarian environmental pact. This government–industry agreement appears to be the first of its kind in Germany.

The comparison of the *Länder* revealed that the southern states (Bavaria, Baden-Württemberg), NRW and the city-state of Berlin rank highest in the area of sustainable development. This underlines the historical trends in West Germany. Bavaria, Baden-Württemberg and North Rhine-Westphalia have always been environmental pioneers. Regarding the eastern states, the study showed that the differences between eastern and western Germany are not as significant as might be expected. Surprisingly, Thuringia, a rather small eastern state, has become quite active in sustainable development policy-making and scored higher than many medium-sized *Länder* in West Germany. Thuringia and Mecklenburg Western-Pomerania, though to a lesser extent, have developed from laggards to latecomers.

The differences regarding the *Länder*'s innovativeness and commitment to sustainable development can be explained mainly by their socio-economic, political-institutional and cultural capacities, by pressure factors and the existence of policy entrepreneurs such as the Bavarian Prime Minister. Bavaria, Baden-Württemberg and North Rhine-Westphalia are the most populous and wealthiest *Länder*. They experienced serious environmental problems in the past and have, hence, built up extensive capacities to resolve them. This includes political-institutional capacities which aim at policy integration, such as sustainable development councils or 'Green Cabinets'. The impact of socio-economic factors is also important in the case of

Thuringia which is a rather small state but has performed best economically among the *Länder* in the former GDR. It can also be argued that EU Structural Funds may have helped to finance sustainable development initiatives in East Germany.

A rather surprising finding is the fact that the parties in power appear to play a crucial role for the framing of sustainable development and the development of different policy patterns. The leading *Länder* are Bavaria, Germany's most conservative state, and North Rhine-Westphalia, which was ruled by a red–green government from 1995 to 2005. Both *Länder* score very high, show some similarities but also marked differences when details are taken into account. They pursued a similar approach regarding the support of LA21 initiatives. Both *Länder* are leaders in this respect and have supported LA21 processes with considerable financial means for almost ten years. Furthermore, both *Länder* used new forms of governance to foster the implementation of LA21, namely learning from best practice and benchmarking. However, there are also considerable differences: In Bavaria sustainable development initiatives are based on conservative attitudes towards nature and favour government-industry agreements and nuclear energy. Thus, there was a clear conflict between Bavaria's interests and those of the red–green federal government which was in power until 2005 and forced the phase-out of nuclear energy. In NRW, in contrast, extensive consultation processes were organized; environmental pacts with industry were uncompromisingly rejected although demanded by the parties in opposition for several years. Instead, the Bavarian environmental pact was imitated first by other conservative *Länder* such as Baden-Württemberg and Thuringia, which are both Bavaria's immediate neighbours. After a change of government it can be expected that NRW will finally adopt this Bavarian innovation which may lead to further convergence of the different regional models of sustainable development in Germany (see Table 5.1).

It can be concluded that sustainable development initiatives at least in the leading federal states in Germany are not restricted to a declaratory level but have led to significant changes at least at the policy level. The best-performing states show some similarities regarding the use of benchmarking and best practice transfer, especially as a tool to stimulate local action. The comparison between red–green NRW and conservative Bavaria also shows that the 'greening of the state' (Barry and Eckersley 2005) can take various forms because sustainable development can be framed differently. While extensive consultation processes were launched in NRW but also in other states such as Berlin, Bavaria has put more emphasis on voluntary agreements with industry. This governance approach has been the backbone of Bavaria's sustainable development strategy from the outset because the environmental pact was Bavaria's first sustainable development initiative launched in 1995 when voluntary agreements were also supported and fostered by the then-conservative federal government. This approach fits very well with the specific Bavarian mixture between a conservative tradition,

including the conservation of nature, technology-oriented approaches and ecological modernization, which may comprise the promotion of renewable energy, cars powered by fuel cells and a firm stand regarding nuclear energy. However, it remains an open question whether the conservative model or the alternative red–green model will have more impact on the ground in the long run and will lead to the sustainable development of the German federal states.

Note

1 The assessment of the sustainable development activity level is based on the comprehensiveness and integration of measures, such as the differences between Environmental Plans and Sustainable Development Strategies or the sectors included in a strategy. Scores for the support of local sustainable development initiatives are based on the level of financial support of such initiatives (transfer agencies, projects). Additionally, it was taken into account whether programmes and strategies were evaluated and updated.

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6 Rhetoric or reality?

Responding to the challenge of
sustainable development and new
governance patterns in Ireland

*Bernadette Connaughton, Bríd Quinn and
Nicholas Rees*

Introduction

Ireland's submission to the Earth Summit 2002 conceded that 'underlying
problems in the relationship between the economy and the environment in
Ireland have not been fully addressed' (DoELG 2002a). Traditionally among
the EU environmental laggards this would seem to imply that Ireland's
commitment to sustainable development is more rhetorical than real. This
chapter examines sub-national engagement with the promotion of sustain-
able development in the Irish case. It considers the relationship between the
use of traditional methods of government and emerging new modes of gov-
ernance by illustrating challenges to implement waste management policy.
In particular the focus on waste management addresses the case of domestic
waste, since local authorities have been given responsibility for managing
and dealing with the public on this issue. Above all, the discussion ques-
tions whether policy innovations and rhetoric at central government level
have resulted in the emergence of effective governance capacities to realise
sustainable solutions in waste management.

The Irish approach to sustainable development is a relatively recent
policy advancement. It was first articulated in the government's 1997 strat-
egy document which is the product of particular national political and eco-
nomic characteristics and forces that have shaped Ireland's response (DoELG
1997). The past decade has also seen unprecedented economic development
in Ireland whereby GDP per capita has increased from below the European
average to among the highest within the EU. The population has also grown
strongly, especially in Dublin and its widening commuter belt. Notably, the
idea of sustainable development has at times been seen as at odds with
government policy on competitiveness and low taxation, although it can also
be seen as aligned with a general political commitment to social partnership
and corporatist style arrangements. In general, the public has been slow to
respond to the ideals of sustainable development. As a result of the country's

late economic development, environmental interests have often been subordinate to agricultural and, more recently, industrial interests.

Environmentally, Irish governments have been obliged to respond to the breadth of European legislation albeit slowly, sometimes viewing further attempts at regulation and management of environmental issues as potentially costly and as inhibiting economic competitiveness. The state has therefore largely responded to EU regulatory pressure for change rather than set out to define its own environmental agenda. This reflects a policy style which has been described as 'conservative and reactive', and perpetuates the promotion of the economic over the ecological (Flynn 2003; Connaughton 2005). The Irish case is thus illustrative of a weak decoupling of economic growth and environmental pressures in comparison to best international practices (OECD 2000). Waste management illustrates this quandary of competitiveness and sustainability. It has been highlighted as a sector that only began to receive significant nationwide attention in the late 1990s (ibid., p. 25) and of which waste generation is at unsustainably high levels in Ireland due to increasing consumption of goods and services (Environmental Protection Agency 2004). To some extent the attention deficit has been rectified in recent years. There has been a drive towards developing strategies, enacting legislation, directing resources and promoting information campaigns with the goal of solving the waste problem. Despite this, the waste crisis is not simply a technical problem regarding the capacity of the state to dispose of waste, it is also a crisis of governance (Davies 2004: 67). It is an issue which illustrates both the ambivalence of Irish society towards environmentalism and a minimalist approach to resolving our development problems resulting in a weak model of environmental policy integration.

As noted by Baker and Eckerberg in the Introduction to this book, waste is illustrative of an area representing traditional environmental management issues that are now struggling to adapt to the broader sustainable development agenda. The complexity of the waste management issue eludes the traditional approaches to governing. It necessitates new directions for Irish public administration, requiring widespread social and political consensus and a diversification of policy instruments. The shift towards new environmental policy instruments (NEPIs) implies that there is a transfer from the traditional regulatory style towards more market based and cooperative instruments (Jordan *et al.* 2003) with the overall goal of internalising and fostering sustainability. In addressing this, the notion of governance may be particularly useful in helping to facilitate the complexity of sustainable development and the implementation of a normative political programme. The governance approach ensures that the focus is not solely on institutional actors but rather on the complex relationships, networks and processes by which policy is framed and acted upon. For waste management the governance interpretation, based on multi-agency partnerships, the blurring of responsibilities between public and non-public sectors, and the emergence of self-regulating networks may be a more appropriate way of understanding

contemporary developments (Fagan *et al.* 2001: 4). Approaches such as partnership are deemed to have been achieved in Irish development policy whereby a shift from government to governance is evident. It is illustrated in the degree of experimentation and development of new sets of relationships – horizontal and vertical – in an otherwise centralist system (Adshead and Quinn 1998). Are similar patterns emerging in the governance of waste management?

In order to examine Ireland's response to these developments, this chapter is organised into four core sections. It lays out a simple framework of analysis to examine the degree to which new patterns of governance have emerged in relation to waste management in Ireland. The interpretation of sustainable development in the Irish context and the degree to which new governance approaches are embedded in the Irish system is discussed followed by examining the policy approach adopted in Ireland towards waste management. The principal actors and institutions in the area are then identified and their degree of influence is gauged in respect to the development of new sets of relationships and partnerships at all levels of administration. The final section looks at the challenges of implementing sustainable development models encountered at the sub-national level and explores whether these problems fit with the genre of 'classic' implementation problems or reflect the emergence of new modes of governance.

Sustainable development and governance: the Irish context

Interpreting sustainable development

In Ireland, the policy agenda for environmental and sustainability issues is relatively new and the principal strategies to implement this agenda have been introduced from 1990 onwards, largely in response to EU and international discourses. The first comprehensive policy document to be adopted was the Environmental Action Programme in 1991, the main commitment in which was the creation of the Environmental Protection Agency (EPA). This innovation was followed by a greater emphasis on sustainable development as a key consideration in government policy. Awareness of sustainability issues is evident across various policy sectors and levels of government. However, the way in which it is conceptualised in the national context and the accompanying implementation strategies may be questioned. It is defined by inclusion in legislation and strategies (such as the Planning and Development Act 2000, the National Development Plan (NDP) 2000–2006 and the National Spatial Strategy 2002–2020) which set the framework for future economic and social development. But, while commitment to the principle is pledged in such frameworks, there is no specific legislation concerning sustainable development and the public perception of sustainable development is generally weak. The Irish policy approach is more aligned to

'development that has to be sustained' (McDonald and Nix 2005: 12) and a blurred acceptance of ecological modernisation, rather than a strong ideological and practical commitment to sustainable development.

The government's policy statement, Sustainable Development: A Strategy for Ireland (Department of the Environment and Local Government), was published in 1997. Sustainable development is viewed as a dynamic and inclusive but also as a qualitative concept. In relation to inclusiveness, the concept is interpreted as 'bringing environment to the heart of economic growth and quality of life concerns, and requiring the active participation of economic operators and the public; as well as all levels of Government' (DoELG 1997: 20).

Thus, the breadth of the concept has been espoused but in terms of substance the strategy reflects the contradiction between aspiration and reality in the Irish case. The NSDS stresses an approach whereby sustainable development should underpin policy decisions across all sectors and the transition to an environmentally sustainable society and economy. This marks a change since, traditionally, the belief across government departments was that environmental management was the particular responsibility of the Department of Environment, Heritage and Local Government. However, to some commentators it has appeared that innovations in environmental regulation, such as the establishment of the EPA, do not represent a new regime but rather display more in the way of continuity (Taylor and Horan 2001: 390). But while cross-sectoral integration remains weak, this paper argues that it has begun to be addressed in, for example, city and county development strategies and in the National Spatial Strategy launched in December 2002.

In addition to the aspirations outlined above, the NSDS clearly states that continued economic growth is essential and emphasises that sustainable development is not a constraint but rather an opportunity for new market innovation (DoELG 1997). This type of approach would indicate that the Irish government is pursuing a policy of weak sustainable development (Broderick 1999: 345) whereby 'modernisation' is a convenient justification for continuing with economic imperatives (Taylor 1998). The objective of policies to promote weak sustainable development remains economic growth, but environmental costs are taken into consideration (Baker *et al.* 1997: 13). The National Development Plans formulated since 1988 provide the blue print for Irish development but, while these plans have made considerable resources available for environmental measures, their commitment to sustainable development is slight. In the case of the 1994–1999 NDP, Pepper (1999) argued that the emphasis on environment was not for intrinsic value or broader social value but because of perceived economic advantage. A perceived weakness of the National Sustainable Development Strategy was that it did not have many quantified objectives in the economic policy areas which underpin the environment (Comhar 2001b). Recently, however, the National Economic and Social Council has developed a set of

social, economic and environmental indicators to measure Ireland's progress on sustainable development, thereby providing some means to enhance policy-making in this area (National Economic and Social Council 2002).

Interestingly, its findings indicate that Ireland has made progress on many of the indicators, especially on those related to economic growth and sustainability, but has made little progress on social indicators, and environmental indicators have moved in a negative direction (ibid., p. 20).

Baker (2006: 30–31) outlines a ladder of sustainable development to organise the different interpretations of sustainable development and their policy imperatives. The model 'weak' sustainable development is characterised by declaratory commitment to principles stronger than in practice. 'Weak' sustainable development embodies an approach whereby the aim is to integrate capitalist growth with environmental concerns (ibid., p. 33). It is a sector-driven approach, emphasising 'end of pipe' technical solutions, market-led policy tools and voluntary agreements and restricted institutional reform. This model also exhibits a preponderance of 'top-down' initiatives, limited state-civil society dialogue and elite participation (Baker 2006: 30–31). This type of sustainable development is conservative and not radically reforming but reflects Ireland's initial efforts. Another interpretation of the Irish approach to sustainability is to interpret it as between very weak and weak sustainability in accordance with O'Riordan's (1996) typology (cited in Carter 2001). This ranges from paying lip service to policy integration and minor tinkering with economic instruments to formal policy integration and deliverable targets (Carter 2001: 201). Thus, although some progress has been made in embedding sustainable development objectives within the policy/administrative structures, much remains to be done to achieve real change.

Government to governance in Ireland?

The idea that policy processes are in general an interplay between various actors and not centrally governed by government is now broadly accepted (Kooiman 1993). In envisaging governance in this manner, whereby policy and its implementation are seen as the output of a process that involves interaction between non-hierarchically organised actors, the question arises as to what extent this is evident in the Irish political system? Traditionally, the Irish political system has been characterised as unitary, highly centralised and hierarchical in nature with clientelism prevailing (Chubb 1992). National politics remain highly localised, with politicians engaged in dense networks built on personal relationships and acting on behalf of their constituents. Political expediency therefore reinforces a tendency to steer away from the difficult choices and long-term solutions that are unpalatable in local constituencies. In many respects this image holds true until the late 1980s, when piecemeal reforms to government heralded some change at the national level, ultimately leading to far greater political change in the 1990s

and 2000s. Such change is manifested in the public-sector modernisation programme launched in 1994 entitled the *Strategic Management Initiative* and the abolition of the dual mandate which was a facility whereby members of Dáil Éireann (lower house of parliament) could retain their county council seats while serving in the national parliament. The greater emphasis on strategic management in the civil service, along with reform of local government and the introduction of new regional structures has transformed the nature of the political system and public administration in Ireland.

Ireland's movement from government towards governance is closely linked to the social partnership approach adopted by successive Irish governments since 1987. Social partnership agreements have underpinned, although do not wholly explain, Ireland's economic boom. Ireland adopted an approach to governance that rested not only on a partnership between key government, business interests and trade unionists, but also one that has increasingly involved the voluntary sector and other non-governmental interests. The concept of partnership has become widely accepted as a model of governance at all levels in Ireland (Rees *et al.* 2006). In tandem with new approaches to public policy, often emphasising public management solutions, it has also led to new patterns of governance. Ireland is, of course, not unique in this regard, given the increasing emphasis in many developed states on attempting to adopt new steering approaches to political issues. No single actor, public or private, has all knowledge and information required to solve complex, dynamic and diversified problems or make the application of instruments effective (Kooiman 1993). For example, the emphasis on mixing public and private sector expertise and investment has been embraced in Ireland through the concept of public–private partnerships (PPPs) and key elements of the National Development Programme 2000–2006 are delivered through PPPs, although implementing such arrangements has proven more problematic than anticipated.

There is some evidence of the move from government to governance in the government's National Sustainable Development Strategy. The Strategy envisaged that the national model of social partnership would be extended horizontally through the creation of Comhar – The National Sustainable Development Partnership – which was established in 1999. It also placed a particular responsibility on local and regional authorities for the implementation and co-ordination of Local Agenda 21 and local partnerships were created for specific LA21 projects. The strategy thus highlights both the importance of the regional dimension and the local government system. In the latter case, it was envisaged that local government would provide leadership and a basis for interaction with local communities. However, the ability to steer a path towards effective sustainable development depends on the capacities of people and institutions (for further discussion see Berger and Steurer in Chapter 1 of this volume). Whether the strategy, as invoked in the NSDS policy document, has actually influenced the approach to waste management remains to be examined.

Waste management policy in Ireland

In the case of waste management, sustainable development tends to be interpreted to mean the reduction of the amount of waste produced and an increase in the amount of waste recovered. This reflects the waste management hierarchy emphasised in the EU Landfill Directive (introduced in 1975) and Community Strategy for Waste Management (1999). The Thematic Strategy on the Sustainable Use of Resources was launched in December 2005 and is closely linked with a strategy on the prevention and recycling of waste. The waste strategy aims to help Europe become a recycling society that seeks to avoid waste and uses waste as a resource.

In terms of indicating how the waste management hierarchy is to be implemented, the main response from member states has been the emergence of plans. The former Tánaiste (deputy prime minister), Mary Harney, in the foreword to a report assessing the waste management infrastructural deficit, highlights the Irish attitude to this issue in her comments. Her main message was that putting the infrastructural facilities in place would, to a significant degree, address the issue and maintain competitiveness in the state's industrial policy (Forfás 2001) – which implies lip service to an ecological modernisation agenda as opposed to sustainable development. The Irish approach to waste management policy has developed from the 1970s/1980s method of control through statutes and ministerial regulations to a series of strategies and the enactment of legislation. Table 6.1 summarises key developments in the sphere since the beginning of the 1990s.

The Waste Management Act 1996 attempted to bring together as many features of EU waste management policy as possible and introduced a new licensing procedure for waste management facilities, including landfills. This has resulted in the redefinition of institutional relationships, as the newly formed EPA was given the authority to license landfill sites operated by local authorities and private interests. The 1996 Act was followed by the policy statement *Waste Management: Changing Our Ways* (Department of the Environment and Local Government 1998) which set targets for a diversion of 50 per cent of overall household waste away from landfill over a 15-year period and increased recycling and composting rates.

Under the remit of *Changing Our Ways*, local authorities are responsible for the adoption and implementation of regional waste management plans aimed at solutions that are sustainable and progressive. This involves providing for a dramatic reduction in reliance on landfill, and the development of a modern, integrated waste management infrastructure. The approach represents institutional innovation since traditionally local authorities exercised their waste planning and management functions in isolation from each other and from other service providers. The implementation of regional waste management plans is now underway. However, the actual process of putting the plans into place proved controversial and was not supported by local politicians in several regions (Connaughton 2005). The lack of

Table 6.1 Key developments in Ireland: sustainable development and waste management

Sustainable development	Waste management	Waste management developments
Environmental Action Programme 1991 Launch of Irish government's environmental policy activities for 1990s.	Waste Management Act 1996	Legislative framework for local authorities; developed role of EPA in reviewing National Hazardous Waste Management Plan (launched in 2001). EPA responsible for integrated licensing of all significant waste recovery and disposal activities.
Environmental Protection Agency Act 1992 Establishment of independent statutory authority. Introduction of Integrated Pollution Control (IPC) licensing system, streamlined through EPA.	Changing Our Ways 1998	Sets targets aimed at stabilization of waste generation, reducing dependence on landfill and increasing recycling and composting rates. Provides framework for adoption and implementation of waste plans by local authorities.
EPA established 1993	Waste Management (Amendment) Act 2001	2001 Act addressed adoption of regional waste management plans. Transfers power to adopt plans from elected County Councillors to County Managers.
Sustainable Development: A Strategy for Ireland 1997	Preventing and Recycling Waste 2002	Policy statement outlined range of measures to minimising waste generation and promote expansion in re-use and recycling.
Comhar (National Sustainable Development Partnership) established 1999 Forum for national consultation and dialogue on Ireland's pursuit of sustainable development.	Protection of Environment Act 2003	2003 Act introduced more stringent regimes for IPPC: more activities now require licence and higher standards required for IPPC and waste management licences. Enforcement powers of EPA and power of local authorities enhanced to counter litter and environmental pollution.

compliance with regional and local waste plans resulted in action from the European Commission, which also criticised waste management plans produced by some local authorities. The Irish government responded with the introduction of the Waste Management (Amendment) Act 2001, which made the adoption of a waste management plan an executive (management) function, much to the chagrin of both opposition parties and members of the public. As a result plans were remade by four local authority chief executives – County Managers – in September 2001. This perceived attack on democracy was further entrenched when the Minister of the Environment, Martin Cullen, referred to the over-democratised and multi-layered nature of the waste planning process (*Irish Times*, 12 August 2002).

   The politicisation of waste issue was further spearheaded by the Socialist Party, which led protests against refuse charges in Dublin in autumn 2003. Such charges have been interpreted as 'double taxation' and 'tax by stealth' by many members of the public. This interpretation does not take account of the fact that the more stringent regulation has caused costs to rise, or that adoption of the 'polluter pays' principle also precludes the financing of waste management services through general taxation. Other developments include the Environment Fund, which was established under section 12 of the 2001 Act to fund waste management initiatives. There has also been a move towards NEPIs via a landfill levy, plastic-bag tax and voluntary agreements regarding packaging waste. The Protection of the Environment Act 2003 gives local authorities explicit powers to stop collecting waste from householders who have not paid their charges and allocates further authority to the executive role of the County Manager.

   Questions have also arisen as to whether the policy statements emphasises, on the one hand, individualisation with domestic household waste highlighted more than agricultural and industrial waste or, on the other, marketisation, that is attempting to make the final waste product 'profitable' (Fagan 2002). The *Changing Our Ways* policy document was followed by *Preventing and Recycling Waste* (Department of Environment and Local Government 2002b). This stressed that one of the main barriers to an improved and sustainable recycling performance is the lack of stable and economically attractive markets and outlets for recyclable materials. This policy statement addressed factors and practical considerations relevant to the achievement of government policy objectives for the prevention and recovery of waste. It also called for a recycling consultative forum and a National Waste Management Board to co-ordinate, monitor and review all aspects of waste management policy. Despite such initiatives, the National report to the World Summit on Sustainable Development (Department of Environment and Local Government 2002a: 97) identified an important implementation failure in the enforcement of existing policy 'while greater prevention/minimisation and recycling are needed, provision must also be made for the disposal of the waste that does arise'. Some parts of the jigsaw are being put into place with the roll-out of facilities such as recycling

centres and 'bring banks' (bins for glass, cans and other recyclable materials). But to counter this, there is only ten years landfill capacity remaining (DoEHLG 2004) and limited progress has been made overall in addressing waste infrastructure deficits (Forfás 2006). In addition, despite attempts by local authorities towards a comprehensive approach to services and facilities, arbitrary planning decisions in the past have contributed to ad-hoc developments regarding the provision of large waste disposal infrastructure (that is, landfills and incinerators). This has had the potential to inhibit the development of an integrated national network as well as fuelling local controversies (Environmental Protection Agency 2004). Thus, the range of strategies and legislation is wide but problems of implementation continue.

The actors – who governs waste?

The following section seeks to identify the principal actors and drivers in the management of waste and assess their role, influence and capacity. Given the highly centralised nature of Irish administration, the Department of Environment, Heritage and Local Government retains a focal point in environmental policy-making. In the case of waste management, however, both public and private actors and all levels of government have been challenged by the necessity to secure a 'goodness of fit' with the European requirements on waste that have driven the policy developments of the 1990s. This has implications for their success in achieving national targets to facilitate sustainable development.

The network of actors outlined in Tables 6.2 and 6.3 facilitate regulation, co-ordination and implementation. However, achieving sustainable development requires the active engagement of economic actors and society supported at all levels of government. The demarcation of the boundaries and responsibilities of these actors appears relatively clear-cut. In reality, however, the contentious nature of waste, the lack of political commitment to implementation, the blurring of accountability and the difficulties in securing agreement to sustainable solutions and the inadequacy of resources presents a different picture.

Environmental issues in Ireland have been addressed across an increasingly fragmented structure of public bodies, with little scope for an integrated and comprehensive approach (Taylor and Horan 2001: 383).

The following Table 6.2 illustrates several significant central government level actors. The Irish system is based on a strong central executive with all sub-national structures answerable to, and financially dependent on, the central government. At the apex is the Department of Environment, Heritage and Local Government, which is responsible for policy and programmes in relation to the environment and the range of services (environmental protection, planning and development) provided through the local government system. In the context of sustainable development, the environmental policy section strives to promote the concept actively and ensure its integration in

Table 6.2 Main actors for policy-making, monitoring and implementation

	National level
Public sector	Department of Environment, Heritage and Local Government
	Environmental Protection Agency (1993)
	OEE (2003)
	Comhar (1999)
	'Green Network' Inter-departmental committee
	Other government departments e.g. Public Enterprise, Finance
	Houses of the Oireachtas (sub-committee on sustainable development)
	ENFO – Environmental Information Service
Private sector	IBEC (Irish Business Employers' Confederation)
	REPAK Ltd
Civil society/NGOs	Friends of the Earth Ireland
	An Taisce – National Trust of Ireland for protection of heritage and environment

other policy areas. As provided for under the NSDS, the Department co-ordinates an inter-departmental committee known as the 'green network' of officials in order to discuss recommendations for the integration of environmental affairs in other departments.

The Department is also responsible for co-ordinating the activities of Comhar, the National Sustainable Development Partnership, which was established in 1999. This brings together public and private actors including expert and NGO representation, in a forum to debate and extend public consultation and participation in the sustainable development agenda. As part of its remit Comhar comments on government policy and gives recommendations. It was quite critical of the policy statement *Preventing and Recycling Waste* (Department of Environment and Local Government 2002) highlighting its failure to fully address and over-simplify some substantive issues regarding waste minimisation. Comhar also noted that the document avoided addressing costs. Such comments are indicative of a frustration with the failure of government to utilise and give genuine effect to the structures it creates. In this instance the committee was given insufficient time to give a detailed response (Comhar 2001a). It may be argued that this illustrate that the role of Comhar as a forum to assist the consultation process is not taken as seriously as it should be.

Under the Waste Management Act 1996, the Minister for the Environment, Heritage and Local Government has the power to issue policy direction to the Environmental Protection Agency (EPA) and local authorities, make regulations, and promulgate a programme of in-house waste

management for public authorities. Monitoring of local authorities' environment performance is an important function of the EPA. The powers of sanction the agency could impose upon local authorities have been criticised for not being robust enough. The failures of local authorities to execute their duties in relation to waste are evident in the problems associated with adopting waste plans and the continuing levels of illegal dumping. These failures, combined with general difficulties in enforcing EU legislation, prompted the establishment of the Office of Environmental Enforcement (OEE) in 2003. It is a dedicated unit within the EPA, funded through the taxation on plastic bags, and one of its key tasks is to audit the performance of local authorities and prosecute them if necessary for enforcement failures. It would appear though that prosecution only takes place as a last resort which does not boost confidence in the effectiveness of such monitoring structures. A positive aspect of this development, however, is that it is facilitating local authorities to engage in capacity building and work with the EPA within a network of enforcement regulators. These types of approaches, while signalling improvement, tend to prompt comments that the EPA is more focused on managing rather than conserving the environment (Taylor and Murphy 2002: 91).

Other national level actors include IBEC (Irish Business Employers' Confederation), which is perceived as a key stakeholder in the waste management policy process. Aligned to IBEC is Repak which is Ireland's first voluntary initiative between industry and the Department of the Environment. Repak is designed to meet industry's producer responsibility obligations under the EU directive on packaging and packaging waste (94/62/EC) and the subsequent Waste Management (Packaging) Regulations 1997. Flynn (2003: 151) notes that voluntary approaches such as Repak find favour with IBEC given that they build quite naturally on the wider pattern of 'social partnership', the neo-corporatist arrangements entrenched within the Irish system. IBEC's alignment with the model of weak sustainable development is evident through, for example, its resistance to green taxation. In regard to waste, IBEC has been advocates of a National Waste Authority, given that many of the infrastructural problems are national in nature and local authorities do not generally have the degree of expertise required to solve waste problems.

The following Table 6.3 identifies those actors most identified with the sub-national level of governance in Ireland. Berger and Steurer note in Chapter 1 that regions are increasingly seen as the space within which sustainable development problems become evident and the appropriate political level to deal with the practical implications of policies. The NSDS emphasises the role to be played by regional authorities that have been given a co-ordination role among the sub-national structures and charged with promoting partnership and identifying and defining sustainability priorities for their regions. Some regional authorities have been involved in the preparation of regional waste plans on behalf of their constituent local

Table 6.3 Main sub-national actors involved in policy-making, monitoring and implementation

	Regional level	*Local level*
Public sector	Regional authorities Local authority cooperation	Local authorities City/county development boards
Private sector	Waste management contractors	Chambers of Commerce
		Local waste management contractors
NGOs/Civil society		Local branches of NGOs Community groups e.g. Cork Environmental Forum

authorities, but not all waste regions are aligned to the current regional boundaries. Despite the rhetoric of such strategies, sufficient resources for implementation are not allocated. Irish regional authorities find themselves in a bind whereby they are increasingly conferred with responsibilities to advance the implementation of sustainable development without necessarily possessing the corresponding powers to do so (Mullally 2003: 90).

In 2002, Comhar published *Principles for Sustainable Development*, which includes the principles that decision making should be devolved to the appropriate level and that stakeholder participation should be promoted at all levels (Comhar 2002: 27). In Ireland, the public identify most with the county since it is the directly elected tier of local government as opposed to 'regions' that tend to be administrative or functional constructs. Despite this, local authorities are in a very dependent position within the overall administrative structure, particularly with regard to the financial burdens associated with sustainable development objectives, especially given their limited ability to generate own resources.

Although the institutional infrastructure has been put in place, few would argue that local government in Ireland has adopted a consistent approach to mainstreaming sustainable development. Institutional change in terms of 'a proliferation of partnership bodies does not change the factors that make our society unsustainable' (Broderick 1999: 356). In addition, the new structures were never designed to overcome the most problematic issues in Irish local government, those of centralisation and inadequate resources. Waste management has also highlighted significant accountability problems whereby the Waste Management (Amendment) Act 2001 allowed regional waste plans to be adopted by county managers as opposed to the elected representatives. This measure was permanently enshrined in the Protection of the Environment Act 2003. Therefore as

local communities are being encouraged to take ownership of local sustainable development, power has ironically shifted from locally elected representatives to the County Manager for the implementation of waste policy (Mullally and Quinlivan 2004).

Forging new relationships between community and the state are challenging and it may be questioned how seriously is the participatory and collaborative dimension of sustainable development being taken? NGOs tend to remain outsiders especially those operating at the local level that tends to be fragmented in organisation. Other organisations and parties that present more radical views, and propose solutions such as 'zero waste', also remain on the fringes, leaving fewer opportunities to influence the agenda or policy outcomes. For example, a 'zero waste' agenda is promoted by parties that represent the radical end of the political spectrum. These parties include Sinn Féin and the Green Party who do not have mainstream appeal or support.

Sustainable development, waste management and new patterns of governance at the sub-national level

Designation of waste management regions

The above examination of who governs the waste management area suggests both the continuing importance of government and of central public institutions and actors but also provides some evidence of new patterns of governance emerging in Ireland. A transfer of the social partnership model to the county level is supposed to facilitate the compatibility with sustainable development principles. This section comments on its impact in relation to the pursuit of solutions to municipal waste management problems at sub-national level. The effect of institutional reform, the challenge of sufficient resource allocation and the development of a partnership approach will be explored.

The reform of local government in the 1990s and the creation of eight Regional Authorities in 1994 and two Regional Assemblies in 1999 have enhanced the role of sub-national actors in the public policy process. Figure 6.1 illustrates the demarcations between the regional authority areas in Ireland, which are aligned to Nomenclature of Statistical Territorial Units (NUTS) III regions. NUTS III is illustrated since this level denotes the Regional Authority level which is more relevant to discussions on waste management. There is also some evidence to suggest that other private actors and NGOs are becoming more involved in the public policy process in the adoption of more innovative solutions to waste management problems. For example, 'the role of civil society has the potential, through a combination of environmental activism, social enterprise and job creation, to add value to the sustainable governance of waste in Ireland' (Davies 2004: 68). At the sub-national level, pledges to sustainable development are evident

Figure 6.1 NUTS III regions in Ireland.

within the NDP's regional operational programmes, and through the National Spatial Strategy requirements that regional authorities prepare regional planning guidelines, wherein sustainable development is a commitment.

Detailed requirements in relation to the preparation and content of local authority waste management plans were set out in the Waste Management (Planning) Regulations, 1997. From the outset, local authorities were encouraged to adopt a regional approach to this planning process, with a view to the more efficient provision of services and infrastructure. In particular local authorities have been requested by the government to put facilities in place to deal with municipal waste, whereas hazardous waste is under the remit of the EPA's hazardous waste management plan. This direction has, in the main, been driven by the EU Landfill Directive, though a report on the link between waste management capacity and the impact on the Irish economy has welcomed the rationalisation of waste management strategy beyond 'arbitrary county boundaries' (Bacon and Associates 2002: 3).

The designation of waste management regions has improved co-operation and co-ordination between some local authorities, but the degree of inter-authority cohesion has been uneven and the waste management regions seem not to be firmly embedded in the political and administrative culture. The regional approach, however, provides the scale to ensure effectiveness while simultaneously ensuring that responsibility for dealing with the waste is kept reasonably close to the place where it is generated. Despite this,

Table 6.4 Waste management regions in Ireland

Region	Counties
Connaught	Galway, Mayo, Roscommon
Mid-West	Limerick, Clare, Kerry
Cork	Cork City and County
South-East	South Tipperary, Carlow, Kilkenny, Waterford, Wexford
Midlands	Offaly, Laois, Longford, West Meath, North Tipperary
Donegal	Donegal
North-East	Louth, Cavan, Monaghan, Meath
Dublin	Dublin City and County
Kildare	Kildare
Wicklow	Wicklow

implementation is geared towards meeting specified targets laid out in the plans as opposed to incorporating a better reflection of the respective roles and activities of the public and private sector in the implementation of each plan. The degree of involvement of civil society groups, NGOs and private enterprise at the regional level is limited, although at a local level there is far more evidence of these actors becoming involved in the waste management agenda. Notably, there is growing degree of dependence on private waste contractors, privately operated landfill sites and new privately operated incineration facilities. There is a mix of public and private arrangements across the country whereby both local authorities and private collectors in the region operate the domestic waste collection service. For example, Limerick City and County have privatised their waste collection in recent years while in County Kerry the local authority predominantly operates the municipal waste collection covering approximately 62 per cent of the county.

Engaging with sustainable development at sub-national level and promoting partnership

Recent developments in the institutions and functioning of Irish local authorities have served to broaden the range of actors involved in policy design and implementation. Since the publication of *Better Local Government: A Programme for Change* (Department of the Environment and Local Government 1996), new structures have emerged which facilitate the involvement of the voluntary sector in the policy process and new roles have emerged for local authority personnel which transcend the traditional divide between administrative and technical operatives. The establishment of Strategic Policy Committees has institutionalised the involvement of representatives in the identification of policy priorities, the formulation of policy proposals and the evaluation of policy implementation. The creation of County/City

Development Boards (CDBs) in 2000 and their production of County/City Development Strategies for the economic, social and cultural development of the counties and cities over a 10–12-year period have further embedded the involvement of an array of actors in policy production. Awareness of sustainable development is evident but not overarching in the vision statements of these bodies. Waste issues have to be dealt with as part of the implementation of the development strategies. Local participation is also encouraged through the establishment of a Community Forum whose local public meetings provide an opportunity to debate local challenges. However, there is room for improvement in guaranteeing that all groups, through provision of adequate resources, are enabled to participate (Comhar 2001b: 8).

In terms of governance approaches, the strong emphasis on partnership incorporated in EC regional policy since 1988 has reinforced and supported the consensual approach to policy-making in Ireland. It is argued that adaptation to the EU has legitimised and entrenched the culture of consultation at both national and local levels nurtured by the processes of social partnership (Rees *et al.* 2006: 68). Aside from the above institutional innovations there is some evidence of the development of a partnership approach in the waste management area. The complication, however, is the existence of differing interpretations of partnership by local actors. One senior local authority official in the Midlands region responsible for leading the drive for sustainable development suggested that partnership is perceived as the 'bringing together of the various local authorities to produce and implement a regional waste management strategy' (interview with official Midlands Regional Authority, March 2005). An official from the Limerick/Clare and Kerry region viewed the waste problem as an infrastructural problem whereby significant investment is required. In this instance partnership was taken to mean the inclusion of players such as private enterprise in order to reach waste management targets (interview with official Limerick County Council, March 2005). The role of civil society was not included in either interpretation.

Differing interpretations are also evident at central government level. For a central government official the most effective and enduring partnerships for sustainable development were 'producer responsibility initiatives' and 'the partnerships created in order to provide social housing' which promoted community involvement with government officials, while the partnership outcome promoted sustainable communities by enabling single parents or elderly people to afford to live within the community (interview with Assistant Principal Department of Environment, Heritage and Local Government, March 2005). To another Department of Environment official partnership was personified by the establishment of Comhar as the main mechanism for stakeholder participation (interview with Principal Officer, Department of Environment and Local Government, July 2002). This interpretation focuses on the notion of partnership as building consensus as opposed to sustainable planning and implementation.

Funding sustainable development and waste management

Given the delays in implementation of waste plans, greater awareness of the extent of the problem and the increasing politicisation of the waste issue, much of the strategic ambition of waste policy has been reduced to hollow promises and action on waste management has been more akin to fire-fighting than prevention at the local level. As noted, funding sustainable solutions to waste management is problematic. Forfás identified an esti-mated investment of €1 billion in 2001 for the implementation of the waste plans. The NDP 2000–2006 envisages much of the funding for infra-structure coming from the private sector. Central government has not been in a position to finance waste management adequately, as the general tax take has failed to keep pace with rising waste management costs (Curtis 2002: 85). Local and regional authorities feel under pressure as they do not have the adequate resources in their general budget to fund long-term recy-cling initiatives though some funding *is* available to them through the Environment Fund, which is financed from the plastic-bag and landfill levy. It does not finance partnerships and operates a capital grants scheme to enable local government to secure funds for non-profit services, such as recy-cling centres. The private sector is excluded from applying for such grant aid as it is viewed as being able to exploit opportunities independently through the effective enforcement of waste law (interview with Assistant Principal, Department of Environment, Heritage and Local Government, March 2005).

Funding the development of partnerships to promote sustainable devel-opment at the sub-national level is very limited (OECD 2000; Comhar 2001b). There is no specific funding for sustainable development identified in the national budget other than minor amounts for funding Comhar and the Environmental Partnership Fund, established to co-fund Local Agenda 21 environmental awareness projects involving collaboration between local authorities and community or other voluntary groups. These projects are co-financed by local authorities and the partnerships implement small-scale Local Agenda 21 projects. In 1999, total funding was doubled to IEP 200,000 and was used to support 6 national and 65 local projects. In 2004, €600,000 was allocated to the fund and those applying to the scheme were requested to address the issue of waste management in particular. Although the increase in funding is a positive development, sustaining these projects and their contribution to the sectoral integration of policy as advocated in NSDS is nonetheless questionable. Specific implementation of the NSDS at local authority level has been poorly resourced, with no dedicated funding identified, which has limited the uptake of sustainable development projects and ideas, even though overall local government funding has increased by over 60 per cent since 1997 (Comhar 2001b: 6).

The adoption of formal public–private partnerships (PPPs) also provides some further evidence of how new patterns of governance are being formed

in the waste management area. As noted above, investment from the private sector is viewed as part of the solution to the waste problem. The NDP provides for private investment of €571 million in the waste management area, constituting over 70 per cent of the overall investment in waste infrastructure. Initially, visible only at national level, public–private partnerships are now clearly in evidence at sub-national level. These partnerships are actively fostered by national government. Between 1999 and 2004, a PPP 'seed fund scheme' to support emerging projects operated with more than €5 million being granted to local authorities to meet the start up costs of projects (such as alternative energy, leisure facilities and environmental activities) outside the mainstream investment programmes. Guidelines for PPP project implementation in the Local Government Sector were published in November 2003 and an online forum is in place to exchange ideas and experiences. The update on projects, published by the Informal Advisory Group on PPS in January 2005 lists 34 projects involving local authorities and ranging from waste to energy (incineration) infrastructure to urban renewal and sewerage treatment projects (Department of Finance 2005). However, many of the projects are in areas other than waste management, such as sewerage, group water schemes and drainage. The two principal PPPs dealing with waste management projects are shown in Table 6.5.

A recent benchmarking assessment, however, reported that there has been limited progress in addressing waste infrastructure deficits. This remains the area of the NDP where the least progress has been made: the combined government and private investment to the end of 2005 was €250 million, most of which has been private investment (Forfás 2006). This constitutes only 30 per cent of the original total investment target envisaged.

In the above context, it is evident that local authorities have significant responsibility for waste management in Ireland and might be expected to be key actors in fostering sustainable development. However, the dominance of the centre and the limited resources available to local authorities restrict their impact. The governance structures in which waste management takes place have changed but the creation of facilitative structures has not been accompanied by changes in the allocation of power and resources. Although the level of responsibility for waste management has increased at local and regional levels and the range of actors involved at these levels has widened, the agenda is determined elsewhere. The implementation issues still need to

Table 6.5 Public–private partnerships in waste management, 2005

Department	Project	Start date	Value (€m)
DoEHLG	South-East Region Joint Waste Management Plan	Late 2005	€20–50
DoEHLG	Dublin Waste to Energy Scheme	Early 2005	€100–250

be addressed holistically, that is by all actors and across sectoral policy areas at all levels of government.

Conclusion: rhetoric or reality?

At the outset of the paper the question was raised to what extent has policy innovation and rhetoric at central government level resulted in the emergence of new patterns in governance underpinned by an effective institutional framework for the implementation of sustainable development initiatives? It is apparent that during the past ten years Ireland has experienced adjustment and learning in the structures designated to deliver the necessary changes. The shift from an impromptu to a planned approach is evidenced in the published strategies and plans, at both national and regional level. It is not clear, however, whether this means better decision making and implementation strengthened by the active engagement of civil society at the sub-national level. Berger and Steurer's comments in Chapter 1 suggest that, in respect of sustainable development policies, changes in Irish regions tend to be more strongly shaped by the NDP rather than the NSDS. This would imply that although new instruments and 'ways of doing things' have been introduced for the horizontal integration of policy-making, processes are driven by the implementation of economic development strategies.

The overview of the actors involved in the governance of waste indicates that hierarchical steering from the government remains an integral feature of the policy process. Shifts towards the promotion of a horizontal network approach are evident, however, whereby the involvement of non-hierarchically organised actors and inter-organisational collaboration is underway. The implementation of sustainable development initiatives is therefore shaped by new modes of governance that co-exist with traditional practices. Despite this, the case of waste management illustrates the difficulties of relating these new methods and practices to the existing structures and processes. Acceptance of the principle of sustainable development and some integration has been achieved. In general the Irish case typifies efforts to promote ecological modernisation rather than promote a significant shift in economic models and policy focus. Despite a growing awareness among policy-makers of the need to de-link environmental pressures from economic growth, features of the Irish politico-administrative system and culture contribute to militating against translating these principles into action. For example, the lack of local government power and functions contributes to the reluctance of local councillors to share what power they have with local communities (Forde 2004). Consequently this has contributed to a lack of knowledge about sustainable development on the ground level. This does not facilitate the heralded extended forms of participation that are promoted within the city/county development strategies. Contradictions also exist between individual behaviour and actions in reality. Almost half of

Irish adults consider waste the most important environmental issue facing Ireland yet their private behaviour would dictate otherwise (Environmental Protection Agency 2006). Household waste generation is unsustainable with 'fly tipping' (dumping at the side of the road) and uncontrolled back-yard waste-burning becoming the new face of illegal waste activity (ibid.).

In spite of the centralised nature of the system, there is no single co-ordinating mechanism for the planning and implementation of sustainable development and from this stems a lack of clarity about overall responsibility for steering. This raises the issue of whether the implicit assumption that moves towards such new governance patterns are successful? The emphases on partnership, reform of local government and the application of principles such as privatisation and contracting-out have clearly widened the number of participants in the case of waste management. Effective co-operation between the different mechanisms and actors could overcome some of the challenges but the development of horizontal networks in waste management remains at an early learning stage. Top-down models focus on effective control and compliance whereas bottom up approaches concentrate on interactions, conflict, power and empowerment – policy in action. The development of waste regions remains a 'top-down' process driven by the need to comply with EU legislation and national targets rather than guided by principles of sustainable development.

Another view is that the growing dependence on the private sector and proliferation of private-sector companies to provide the necessary services and solutions may lead to further complications whereby 'local authorities do not control waste any longer' (interview with official Kerry County Council, July 2002). It would appear that partnership can be perceived as a 'catch all' problem solving approach. But while the partnership approach has been enormously beneficial, tensions and reservations have arisen about the scope for partnership, the relationship of partnership to the representative democratic structures and sectoral issues (Rees *et al.* 2006: 74). As indicated in the previous section there is a broad interpretation of partnerships in sustainable development consisting of, for example, the introduction of new institutional actors and networks or co-operation through reliance on traditional government structures.

In conclusion, while there is evidence of experimentation of new modes of governance, this is not necessarily stimulated by the principles of sustainable development. The impact of Europeanisation and adherence to longer standing neo-corporatist arrangements are more likely factors to have influenced these changes and modes of experimentation. The Irish interpretation of sustainable development remains largely focused on economic factors and discourse as opposed to guidance from the NSDS. This is reflected in the case of waste management policy which illustrates an area whereby developments are more akin to fitting with the characteristics of weak sustainable development. In terms of new institutional arrangements at the sub-national level, regions remain cosmetic constructs as opposed to being the result of genuine

decentralisation. Their existence is largely due to the impact of the Structural Funds and the creation of regional structures to support them, as local authorities remain the principal actors. The challenges still outweigh the progress in the pursuit of sustainable development at the sub-national level.

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7   Governance networks promoting rural sustainable development in Norway

Sissel Hovik

Introduction

This chapter explores aspects of the promotion of rural sustainable development at the sub-national level in Norway. Rural sustainable development refers to economic development for the benefit of rural communities based on sustainable use of the natural resources on which such development depends. It involves both the sustainable use of natural resources for commercial purposes and nature conservation in general, for example the protection of endangered species and their habitats. To combine nature protection and economic development based on the use of natural resources is a challenge to rural sustainable development that is made greater by the fact that many rural communities in Norway, as in the rest of Europe, are facing a decline in economic activity and population.

As is the case for waste management, discussed by Connaughton *et al.* in the previous chapter of this book, nature protection is a traditional environmental management issue that is now struggling to adapt to the broader sustainable development agenda. This chapter discusses whether and how far three sub-national initiatives to promote rural sustainable development in Norway represent a departure from traditional environmental management: do they represent a genuine shift in policy focus from nature management to sustainable development, or are they more representative of traditional economic development? Another question discussed is whether the initiatives represent a development towards 'new governance', understood as the emergence of new patterns of relationships between different tiers of government and between public and private actors. The cases will be considered with reference to the composition, role and autonomy of networks in relation to the established political and administrative system. Special emphasis will be given to the extent to which the networks contribute to input-based legitimacy, where political decisions are legitimate because they reflect the will of the people, through extensive stakeholder participation. Finally, the relationship between the use of traditional methods of government and new methods of governance, and the possible effects of this mixture is discussed.

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From nature conservation to rural sustainable development?

Nature conservation has so far been the main element in Norway's efforts to comply with its international obligation to protect biodiversity, and, as such, is a central part of the national strategy for sustainable development (Ministry of Foreign Affairs 2002). The Norwegian action plan for sustainable development (Ministry of Finance 2003–2004) contains specific targets and aims to establish by 2010 protected areas in 13 to 14 per cent of mainland Norway, in accordance with the provisions of the Nature Conservation Act. The areas protected under the Act increased from 7.6 per cent of the mainland in 2001 to 12.5 per cent by spring 2006 (Directorate for Nature Management 2006), which demonstrates a strong commitment on the part of central government.

Local communities on the edge of national parks have often perceived nature conservation as a heavy constraint on their prospects for economic development. Thus local actors, such as farmers, landowners and local councils, have often strongly opposed proposals for establishing new national parks. The level of conflict between affected local actors and the environmental administrative authorities was high and rising throughout the 1990s (Hovik and Reitan 2004). To reduce these conflicts, the Norwegian government has gradually changed its policy on nature conservation, from a single focus on conservation to include an additional focus on how affected local communities can benefit from conservation. In 2003 the Norwegian parliament approved a policy document presenting aims and strategies for sustainable use of protected areas, such as national parks, for the benefit of the local communities adjacent to the parks, a document known as 'the Mountain Text' (Ministry of Finance 2002–2003). Sustainable use is here understood as economic activities which do not harm the environmental and cultural values in and near the national parks. Traditionally, grazing, hunting, fishing, picking berries and mushrooms and hiking are allowed in Norwegian national parks. Recently there has been a greater focus on tourism, such as organised tours and tourist guiding, and on establishing accommodation facilities close to the parks.

This development is accompanied by recent changes in the Norwegian government's agricultural policy. A new policy is promoting multifunctional agriculture, where the aim is to stimulate new rural industries, such as tourism and local food products, and making rural districts more attractive places to live in (Ministry of Finance 2004–2005). Tourist activities in and near national parks is one element in this policy effort. Even though the main goal of the programme is to increase the financial gains of farmers

(Ministry of Finance 2005–2006), it makes explicit reference to the goal of sustainable development, understood as environmentally sound and sustainable farming in a long-term perspective.

Farming can be an essential factor in the conservation of biodiversity and valuable landscapes, by maintaining an open landscape rich in plant life. Thus, farming can contribute to the preservation of nature and landscape qualities that are valuable in terms of both conservation and tourism. However, activities, such as farming, hunting and tourism, are also creating an increased demand for motorised traffic (such as snowmobiles) and land development (such as building of holiday cabins and roads). Such development can be a threat to species and habitats. Several national parks have been established to protect wild reindeer, which Norway has a special international obligation to protect. These animals are highly vulnerable to human activities. In other protected areas, the local animal and plant life can tolerate increased human activities. Thus, the conditions for commercial utilisation of the values and resources of protected areas vary from place to place.

The changing focus from nature conservation to rural sustainable development is accompanied by some changes in policy instruments. Nature conservation policy is still the responsibility for central government in Norway. However, the responsibility for managing three national parks and one large protected landscape is delegated to local municipal government on a preliminary basis. Decentralisation in the form of increased local political autonomy is intended to stimulate commercial use of natural resources (Ministry of Finance 2002–2003: 152). Through decentralisation, nature conservation is linked to land-use planning, an important instrument for local government in rural development outside national parks and other protected areas. Additionally, strong effort is been made by the Ministry of Environment to develop management plans for the protected areas as an instrument for co-ordinating nature conservation and business development. Emphasis is laid on participation by local government and stakeholders in drawing up these plans. Deregulation to reduce the formal constraints on commercial use of protected areas is also under consideration.

The rural development policy administered by the Ministry of Agriculture is formulated through negotiations between the government and the farmers' organisations, and implemented through a system of economic grants and guidelines. Additionally, it is linked to the more general policy for business innovation and regional development, in which regionalisation and partnership strategies have recently become central elements (Ministry of Local Government and Regional Development 2001–2002). In sharp contrast to the nature conservation policy, economic incentives are the main policy instruments in the rural development policy. However, in both policy areas, there is a trend of decentralisation to local municipal government, and a strong emphasis is put on the need for cross-sectoral and private–public co-operation at local and regional level. Additionally, emphasis is put on the

need to co-ordinate the ecological, economic and social aspects of rural development.

Promoting rural sustainable development – a need for new governance structures?

These changes in national strategies towards decentralisation and local and regional co-operation has stimulated several sub-national initiatives to promote rural sustainable development. The three initiatives discussed in this chapter are examples where actors at local and regional level take advantage of the new policy signals from central level. Local business development and the survival of local communities are at the core of all three initiatives. The task for the local actors is to achieve economic development based on environmental assets such as those found in national parks and other protected areas.

The extent to which these three initiatives represent a development towards 'new governance' is examined with a focus on whether or not they represent the emergence of governance networks for promoting sustainable development. Governance network is a particular form of governance and a particular form of network and is in this chapter defined as institutional settings where public and private actors interact through negotiations and non-hierarchical co-ordination. The interaction is based on interdependency and trust (see Sørensen and Torfing 2005: Rhodes 1997 for further discussion on the concept of governance networks).

Sørensen and Torfing (2005: 197–198) argue that there are at least three factors that distinguish governance networks from hierarchical control by the state and competitive regulation of the market. They are pluricentric, involving a number of interdependent actors who make decisions and regulate issues through negotiation. Furthermore, compliance is ensured through trust and commitment. However, governance will always be conducted under 'the shadow of hierarchy' (Scharpf 1997). Government has the privilege of making authoritative decisions on public matters. In Norway both environmental protection and business development are subject to extensive government regulation and come within the sphere of responsibility of the central government. Thus government actors play an important role in governance networks, as initiators, as definers of important frames for network activity and as network actors. In order to assess whether the sub-national initiatives in this study represent a development towards new governance, this chapter will focus on the composition of the networks, the role they are given by government and the role government actors play in the networks themselves.

The composition, role and autonomy of sub-national sustainable development networks

Balancing environmental, economic and social objectives requires co-ordinated efforts from different actors. Meeting the challenge of rural sustainable development depends on the efforts of several sectors of government: nature conservation, agriculture and forestry, regional economic development and land-use planning. These policy areas have different regional and local institutional bases, since the municipalities play a central role in agriculture, forestry and land use planning, the counties in economic development and land-use planning, and the County Governor (the state administration representative at regional level) in agriculture, forestry and nature conservation. Thus, rural sustainable development requires policy integration between different levels of government as well as policy sectors. It also requires adaptation on the part of private commercial actors, like local farmers and tourism companies and people using the areas in question for recreational purposes. The composition of the network is defined by its participants, who may be representatives from different levels of government or policy sectors, private landowners, business actors or other stakeholders.

Regarding the role assigned to the networks by the public authorities, two important aspects are identified. First, the stages of the policy process at which the network becomes involved, distinguishing between the stage of policy formulation and/or the stage of policy implementation. Second, the formal power the network is given by the public authorities, distinguishing between the role of consultation, the role of discussing and negotiating compromises, and the role of decision-making. If the network has a role as consultant, the government authority is free to choose whether or not to follow its recommendations. This does not indicate a development towards new governance. If the network plays a role as negotiator of compromises, the government authority has a stronger obligation to follow its recommendations. In this situation, the network is granted a certain amount of power, which is a step in the direction of new governance. If the network is granted decision-making power, this is a further step towards new governance.

The role of government actors as partners in the network is also examined. The relations between actors in governance networks are characterised by exchange rather than instruction. In the context of the three sub-national strategies, the following questions are explored: To what extent are public actors entering the negotiations with open minds, willing to negotiate solutions on matters within their spheres of responsibility? Are they imposing strict constraints on the kinds of solutions they will accept? In governance networks compliance depends on trust and commitment. To what extent are public actors obliged to follow solutions negotiated in the network in matters where they have formal decision-making power?

Participation and legitimacy in sustainable development networks

As mentioned before, broadening the range of actors who share the responsibility for promoting sustainable development is important. Participation from private actors in rural sustainable development networks can contribute to problem-solving and goal achievement through better and more informed decisions and because greater support from affected groups makes implementation easier (Meadowcroft 2004; Pateman 1970). Participation will then contribute to output-based legitimacy: political choices are legitimate if and because they effectively promote the common welfare of the constituency in question (Scharpf 1999: 6).

The fact that not all citizens are given the same possibility to participate, and that it is unclear who should be held accountable for the resulting policy, raises difficult questions regarding the democratic aspects of governance networks (Peters and Pierre 2000; Sørensen and Torfing 2005). Therefore, there is a risk that governance networks are weak on input-based legitimacy; that political decisions are legitimate because they reflect the will of the people (Scharpf 1999). When a choice has to be made between conflicting interests and values, the question of input-based legitimacy is crucial. Sustainable development is about asking people to put constraints on their activity today in order to benefit future generations. If people are to make such sacrifices, it is important that they are confident that all the affected parties' interests have been taken into consideration.

The input-based legitimacy of governance networks can be increased by linking the networks to the established democratic government (Peters and Pierre 2000; Hovik and Vabo 2005). The results of negotiations in governance networks are then given legitimacy by the fact that they are approved by democratically elected bodies. However, input-based legitimacy can also be increased through extensive participation by affected groups and individuals. Participation can promote the right of every citizen to influence decisions affecting him (Klausen and Sweeting 2004; Pateman 1970). Then input-based legitimacy is increased through governance mechanisms. To what degree the governance networks being studied have opened the way for extensive participation that could contribute to input-based legitimacy, is examined in this chapter by distinguishing between two different principles for selecting participants (Hovik and Vabo 2005).

The target group principle states that only actors judged capable of contributing to the governance of the designated task or solution of the problem should participate. The stakeholder principle states that all actors having a significant stake in the issue should participate. Participation in accordance with the second principle contributes to input-based legitimacy, whereas participation based on the first principle only contributes to output-based legitimacy. In the context of rural sustainable development, landowners and other property right-holders, farmers, the tourist industry and other

commercial actors are important contributors to sustainable economic and ecological development, and are thus important target groups. Other actors representing for example environmental and outdoor recreation interests also have a strong stake in the matter and would also be able to contribute to the solution of the problem because of their expertise. The point to make here is whether the private actors are involved because of their resources and formal rights, or because they represent important user interests.

Private actors will, as participants in governance networks, probably defend their own interests. However, through participation, they might learn about the consequences of their own activity as well as about their dependency on sustainable development. Thus, participation might result in support for solutions that advantage a larger collective (Pateman 1970), especially if confronted with the arguments and experiences of actors representing different interests. Assuming that private actors initially will defend their interests, there is a chance that the target group principle could lead to a development favouring the economic aspects of sustainable development before the environmental, since farmers, forest owners and tourist companies are important target groups. The stakeholder principle could favour a balanced development promoting the different aspects of sustainable development, since that principle will secure the participation of all interests.

Three local sustainable development initiatives

This presentation of the three initiatives for involving networks in rural sustainable development in Norway is based on data from interviews with individuals in these networks (conducted during winter–spring 2005–2006), information given in the plans for the various projects, annual reports and newsletters published on the web and, in the case of Setesdalen, the results of a pilot project evaluating decentralised management of the protected landscape (Falleth and Hovik 2005) and of a study of the network aspects of decentralised management (Falleth 2006). The location of the three cases is indicated in Figure 7.1.

Setesdalen: decentralised management of the Setesdal-Vesthei Ryfylkeheiane protected landscape

Setesdalen-Vesthei Ryfylkeheiane was protected in 2000, mainly because it hosts the southernmost wild reindeer population in Norway, but also because the landscape is considered to be distinctive and beautiful. The 2,500 square kilometres are designated as a protected landscape, which is the weakest form of protection under the Nature Conservation Act, and allows traditional forms of agriculture and forestry to be carried out.

The protected landscape affects eight municipalities in three different counties. Approximately 15,000 people live in these municipalities, which have experienced a fairly stable population trend over the last 15 years.
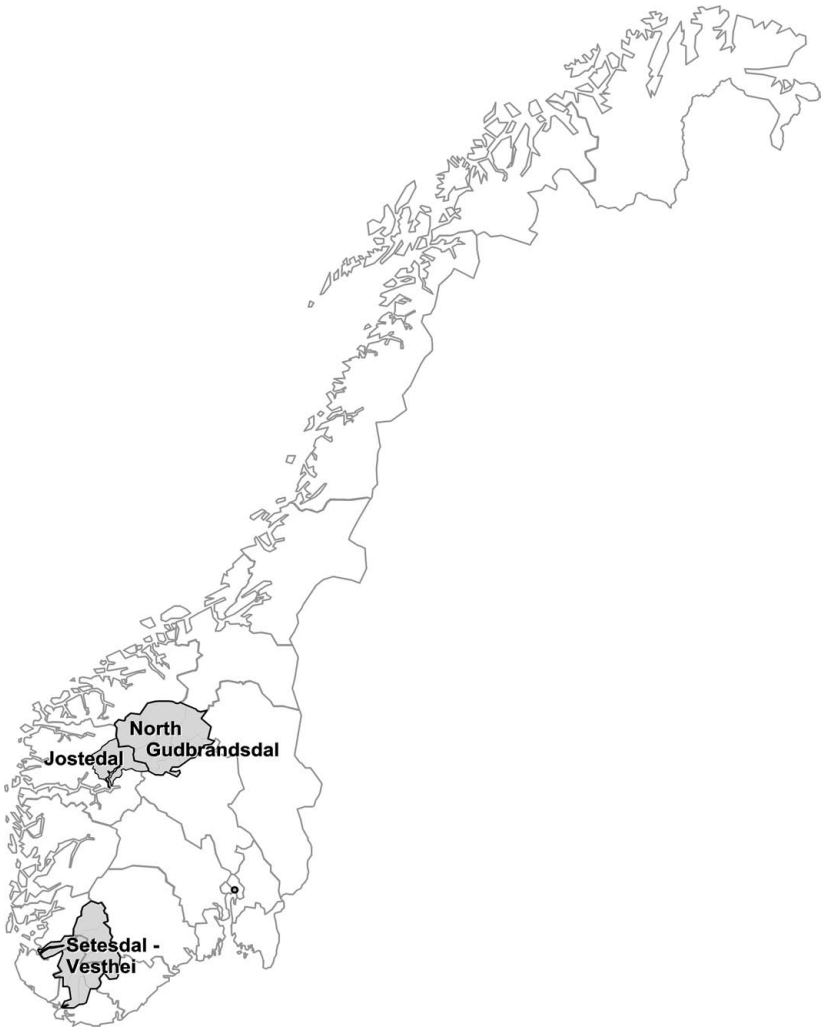
Figure 7.1 The three case studies.

Several of the municipalities are relatively wealthy, even in a Norwegian context, due to revenues from hydropower plants. Agriculture is an important industry. The rural communities have traditionally made use of the mountains for grazing, fishing and hunting. The population in the greater metropolitan areas in the south and south-west of Norway also use the area for outdoor recreation such as hiking and skiing. These activities are creating a demand for more holiday cabins and off-road traffic. These activities,

together with hydropower production, threaten the vulnerable alpine environment, including its wildlife and ecosystems.

The central government plan to protect the area, which was presented in 1989, was opposed by local actors, including local politicians and the agriculture and forestry industries. Their efforts to prevent conservation in accordance with the Nature Conservation Act were unsuccessful. They did, however, successfully gain parliamentary support for a pilot project for local management (Falleth 2006). The project began in 2001 and will run until 2008, when it will be subject to review by the Parliament. The municipalities are given power to manage the area in accordance with the principles for protected landscapes and the rules laid down by Royal Decree.

The power to manage the nature conservation regulations is delegated to each of the eight municipalities, which receive grants to cover their administration expenses. Their main responsibility is to decide on applications for exemptions from the ban on land development and motorised traffic. As part of the project, the municipalities were instructed to develop a joint management plan to be approved by each municipal council and by the Directorate for Nature Management, which is one of two environmental policy agencies at central level in Norway. (The other is the Norwegian Pollution Control Authority.) An inter-municipal company was established and a project manager was hired. In order to improve the knowledge base, ensure that the relevant interests were represented and assure legitimacy, an advisory group was set up, consisting of the chairs of three municipal councils, the County Governors (the County Governor normally has the power to manage the nature conservation regulations), who were represented by two members, and the affected county councils, represented by one member. Initially, the only private interests represented were those of the landowners, but later, to include a broader range of interests, the group was expanded to include representatives of the local reindeer committee, the Norwegian Trekking Association and the hydropower producers as observers. An open meeting was held once a year to ensure transparency. The municipalities laid emphasis on negotiating with all the members and observers of the advisory group and on achieving consensus on the plan within the group. Thus, both private stakeholders and national and regional authorities were given a role in developing local nature management policy. The management plan dealt with sustainable business development as well as nature conservation. It was approved in 2004.

One subject for negotiation in the network was to develop common guidelines with regard to land development and the use of off-road vehicles. Since the municipalities had different practices, it was necessary to achieve an agreement which was supported by all municipalities, as well as by the environmental authorities. However, the network has not been given any role in the implementation of the plan. The different municipalities have so far applied a diverse and fairly liberal practice in the granting of exemptions, without, however, contravening the guidelines in the management plan. A

majority of local users and municipal council members do not see the necessity of placing restrictions on off-road vehicles and land development, which means that management of the protected landscape has to strike a fine balance between the demands of the state environmental administration, the interests of urban leisure users and the interests of local stakeholders.

The management plan also aimed to reduce the amount of activity managed by other public and private actors through voluntary agreements. The national Air Force has temporally limited its activities in the area. The Norwegian Trekking Association agreed to move cabins and trails away from vulnerable areas. No solution has been found to the conflict between the municipalities and the reindeer committee regarding a comprehensive strategy combining management of the habitat with management of the game. The hydropower producers have not taken any notice of the management plan.

Jostedalen: the nature-use project of Sogn and Fjordane County

Jostedalen National Park was established in 1991. The park measures 1,310 square kilometres and includes Norway's largest glacier (Jostedalsbreen). The main purpose of the park is to protect the glaciers, glacier valleys and moraines. Part of the Jostedalen park lies within the borders of Luster municipality. Agriculture and tourism are important industries in the whole municipality and in the valley of Jostedalen, a rural community situated on the edge of the park. Approximately 5,000 people live in the municipality, which experienced a steep decline in population and in the agriculture industry during the 1990s (County Governor of Sogn og Fjordane 2006). Approximately 430 people live in the valley of Jostedalen, which is visited by 45,000 to 50,000 tourists every summer.

In 2002, the County Governor of Sogn and Fjordane initiated the 'Nature-use Project' (County Governor of Sogn and Fjordane 2002). The main purpose was to stimulate local rural economic growth by developing nature- and culture-based industries in communities adjacent to national parks. The County Governor's intention was to demonstrate that nature conservation is not a barrier to rural development, and thus improve the dialogue between his office, as the authority responsible for conservation at the regional level, and the affected communities. Four communities were selected to take part in the project, one of them Jostedalen. The project ran for three years, from 2003 to 2005.

The County Governor led the project, which was financed mainly by public grants administered by the County Governor's office. The agriculture department of the governor's office was given day-to-day responsibility for the project, and the position of project manager was shared by two employees in the Department. The project was based on co-operation between the County Governor, represented by the agriculture and environmental protection departments, the local community, represented by rural

welfare organisations, and the municipality, represented by the head of the business development department. An advisory group was also appointed, consisting of representatives of the County Governor's office, the county, the private tourist industry association, the farmer's organisations and an umbrella forum for environmental and outdoor recreation organisations.

A workshop was held, where local community members were invited to present and discuss ideas for rural community development projects. Project ideas proposed by the communities were granted seed funds in the form of financial support from the County Governor for project planning, competence-building and other necessary activities. Formally, decisions concerning financial support were made by the County Governor's office on the basis of applications from local actors, but in fact the County Governor was obliged to support projects submitted by local actors as long as they were not in conflict with the nature conservation regulations. Some projects received additional funding from public grants administered by Innovation Norway, the municipal business development fund or the County Governor on behalf of the Ministry of Agriculture. Both the project managers and the municipal administration have assisted local actors in developing their ideas. The advisory group has played a minor role.

The network involved in the Nature-Use Project was given a role in the implementation of the rural development policy of the County Governor. Its focus was practical and project-oriented. The goals and limits of the project were defined by the County Governor. A project proposed by local actors in a neighbouring community was rejected and excluded from the project by the governor on the grounds that it would be in conflict with the purpose of the national park. The County Governor's action meant that the network was not given the role in defining the balance between conservation and development interests. The matter finally had to be settled at central government level. In Jostedalen, on the other hand, none of the project ideas were considered to be in conflict with the conservation regulations. Some results have been achieved. Several projects have received support, and at least two of them are considered to be commercially viable. One of these is nature-based tourism, another is the production of stoves using bioenergy. Local entrepreneurs believe that without the Nature-Use Project these two ideas would never have seen the light of day.

The Nature-Use Project is being continued at local level, and a project manager is employed by the local welfare organisation. The position is financed by funds from several sources: the Ministry of Agriculture, the County Governor, the municipality and the Nature Inspectorate, an organisation under the Ministry of Environment.

Nord-Gudbrandsdalen national park initiative

The region of Nord-Gudbrandsdalen hosts three large national parks: Rondane, which was the first national park to be established in Norway

(established in 1962, 963 square kilometres), Jotunheimen (established in 1980, 1,151 square kilometres) and Dovrefjell (established in 2003, 289 square kilometres). A fourth park is planned in Reinheimen. The parks have been established to protect wild reindeer populations, largely undisturbed mountain landscapes, and/or ecosystems and biodiversity in mountain areas. The region consists of six municipalities, with a total of about 20,000 inhabitants. Agriculture is an important industry in the area, which experienced a decline in population during the 1990s. Nature-based tourism has been an important industry for many years.

In early 2004, the national park project was initiated in response to the need to stimulate growth in the tourist industry based on the environmental qualities of the national parks. The aim was to achieve growth within the framework of sustainable development. The project is a partnership between Oppland county, the County Governor's office, the inter-municipal regional council, the local commercial tourist associations, Statskog (the state-owned forestry company), the affected mountain boards, the affected local common land and the farmers' organisations. The mountain boards are appointed by the municipal councils to be responsible for management of state-owned common land. The partners have signed a formal co-operation agreement defining their obligations. They form the steering committee, and the day-to-day administration is delegated to an executive committee and a project manager. The project is mainly supported by funds administered by Oppland county council jointly with the Nord-Gudbrandsdalen regional council. The Ministry of Local Government and Regional Development has delegated the administration of development grants to the individual county council, which in the case of Oppland has delegated this task further to the regional councils. The six municipalities in the region also contribute a small amount. A significant part of the funding is allocated to the national park project, which also receives an allocation from the Ministry of Agriculture. In addition the Ministry of the Environment, Statskog and the County Governor have all supported activities under the project.

The network has been given a central role in policy formulation. It develops and decides on an action plan, and approves, funds and implements activities. Each sub-project is implemented by a working group, with participation by relevant partners and external actors. The partnership is accountable to the County Council and the regional council, which provide most of the financial support. In order to maintain a distance between the financial authorities, represented by the politicians, and the executive authorities, represented by the network, only employees of the public administrations participate in the network. However, the chairs of the affected municipal councils are members of a political national park forum, whose role is to propose topics for discussion in the network.

The purpose of the project is to improve the formal and physical framework conditions for tourism, make the area more attractive to visitors, and improve the environmental qualities of the area by safeguarding landscape

qualities. Priority is being given to building a tourist highway with several stops at entrances to the parks. The purpose is to channel the traffic to less vulnerable areas of the parks and still offer visitors the opportunity to see areas of scenic beauty.

In general, the local population has accepted nature conservation. The tourist industry perceives the national parks and other environmental qualities as resources on which their activity depends. However, in specific cases, the matter is not so simple. The main purpose of Rondane National Park is protection of the wild reindeer population, but the tourist industry wishes to develop a stop on the highway close to an area important for reindeer. The mountain boards and the environmental protection department at the County Governor's office are reluctant to allow this, since reindeer have a low tolerance to human activity. A vulnerability assessment of the area is being prepared as part of the project, but it is too early to tell whether the network will be able to find a solution to the conflict. For the local councils and the regional council equitable distribution of the benefits of the project among the municipalities is important. Regional development and ecologically sustainable management have considerably less influence on voters than local development. Since the regional council provides most of the financial support, the project management must take account of these political realities.

Some results have been achieved. The project partners have agreed on important strategic choices, and the public authorities have willingly supported their activities. Some tourist highway stops have been developed, others are in preparation. A logo and design scheme for brochures, signs and information boards has been developed, and training programmes concerning eco-tourism and nature management are underway.

All three networks in the above cases are members of an informal network of rural development projects in mountain areas of Norway, for which an annual conference on the development of tourism in mountain regions is an important meeting place. In addition experiences and information are exchanged between the individual projects on a bilateral basis. The three projects also have links to international activities through their membership of the interest organisation 'Euromontana', which was set up to safeguard the economic, social, cultural and environmental interests of mountain regions in Europe. Through this European network, the Norwegian cases share experiences and knowledge with other European communities facing similar challenges. A European orientation might give the local actors some argumentative strength in the discussions with the Norwegian government. Since Norway has not implemented EU policies on farming and nature conservation, a strategy supported by a majority of the rural population in Norway, EU decisions has no direct effect on these cases.

Sub-national sustainable development initiatives give rise to new governance arrangements

The composition and role of the networks

The main characteristics of the three sustainable development networks are summed up in Table 7.1. They are composed of actors representing different levels of government, different policy sectors and different private interests. In this way they reflect the fact that rural sustainable development is a shared responsibility across administrative boundaries and social sectors.

The composition of the networks varies. All three levels of government are involved in each of the cases, but the county level plays a minor role in Jostedalen and Setesdal. The number of policy sectors is most restricted in Setesdal, where only the environmental and land use management sectors are involved. In the other two cases, the three policy sectors environment, agriculture and business development are involved. As regards private actors, these are members of the local community in Jostedalen, representatives of landowners and the tourist industry in Nord-Gudbrandsdalen, and representatives of landowners and environmental and recreational interests in Setesdal.

In all three cases the networks have been given an influential role by the government authorities. However, their power is linked to different stages of the process. In Setesdal the network was invited to discuss and negotiate compromises on the content of the management plan in the policy formulation stage. In Jostedalen the network was invited to propose and develop project ideas in the implementation of the policy of the County Governor. In Nord-Gudbrandsdalen the network was invited to decide on and develop a plan for promoting mountain tourism and to implement projects in connection with the plan. It was given decision-making power in both the policy formulation and the implementation stages.

The activity of the networks is subject to the hierarchical steering by government in different ways and to varying degrees. In Jostedal, the County Governor defines the limits of the activities and topics for discussion in the network by defining the project goals and means of implementation, and also the framework for ecologically sustainable development. Within this frame, the County Governors and municipal administrations facilitated and supported local participation; they were open to new ideas and strongly committed to the agreed solutions negotiated with member of the local community.

In Setesdal, too, both local and state government actors were very willing to negotiate solutions with other actors on the content of the management plan and were strongly committed to approving the plan. However, the network was not given an important role in the implementation of the plan. Granting exemptions to the ban on off-road traffic and land development is regarded as a matter for the individual municipality, and not for neighbour-

Table 7.1 Governance of the three rural sustainable development networks

	Setesdal	Jostedalen	Nord-Gudbrandsdalen
Composition			
Tiers of government	Local, state (and county to a lesser extent) government	Local, state (and county to a lesser extent) government	Local, county and state government
Policy sectors	Environment, land use	Environment, agriculture, economic development	Environment, agriculture, economic development
Private participants	Landowners, economic actors, environmental and recreational interests	Local entrepreneurs, community members	Landowners, economic actors
Role			
Project stage	Policy formulation	Policy implementation	Policy formulation and implementation
Power	To negotiate compromises	To negotiate compromises	To decide on plans and projects
Participants	Target group and stakeholder principle	Target group and stakeholder principle	Target group principle
Links to government decisions	Direct, decisions of network formally approved by government	Direct, decisions of network formally approved by government	Indirect, network held accountable by government

ing municipalities or private interest organisations. The diverse and fairly liberal practices of the different municipalities raises the question of how strongly local government was committed to the management plan.

In Nord-Gudbrandsdalen the government actors were more eager to support and take part in the network than to restrict its scope of activity. There were no indications of lack of commitment, and they showed great willingness to discuss and negotiate solutions. An example of this is the strategy adopted by the County Governor's environmental protection department. Instead of exercising its formal power to decide which activities were to be allowed on land adjacent to the national parks, the department conducted a vulnerability assessment, which made its decisions more transparent and ensured informed input from other actors. However, issues with a potential for serious conflict between environmental and commercial interests have not so far been settled. Thus, it is too early to tell how the network will tackle these challenges.

The three cases described here are certainly not examples of 'governance without government' (Rhodes 1997). The different government actors made deliberate use of their privileged position to promote the goals and interests they represented both when defining frames for network activities and as members of the networks. On the other hand, these cases show a development towards new governance. The interaction between representatives both from different levels of government and from the public and private sector is based on exchange and negotiation, and compliance is based on trust and commitment rather than on command and control. The networks represent a development towards shared responsibility for sustainable development in these rural areas. They are important arenas for discussions on the content and direction of sustainable development in their regions. The position of project managers at regional or local level is important in this respect. In all three cases resources were used to build administrative capacity. Although the project leaders were sometimes employed by one of the parties, they did promote co-operation and joint action within the networks.

Extensive participation as a contribution to input-based legitimacy?

Another important question when assessing the degree to which these networks represent a development towards new governance is how far they try to meet the requirements for input-based legitimacy through extensive participation. In all three cases there was greater participation by private actors and elected politicians than is usual in the fields of nature management or rural development, which are normally tasks for state administration. The activities of the networks are subject to discussion among local and regional politicians and actors representing private interests, and this, together with open meetings, and information publicised on the web, means that the decisions and activities of the network are fairly transparent. Opportunities

for local politicians and private stakeholders to influence the proceedings are therefore greater than under the usual system.

In all cases the target group principle for involving private actors predominates (see under 'participants' in Table 7.1). In Nord-Gudbrandsdalen, the participating private actors represent property right holders and the tourist industry. In Jostedalen, the local community is represented by rural welfare organisations and individual community members. The latter mainly consist of entrepreneurs with ideas or competence related to economic development projects. In Setesdal, only property right-holders were included at first, but the network was later expanded to include representatives of recreational interests and the local wild reindeer committee, bringing it more into line with the stakeholder principle. Even though not all user interests were included in the networks, there are some elements that contribute to input-based legitimacy. In Jostedalen, the inclusion of a broad range of local community members can be expected to contribute to input-based legitimacy among the local population. However, the fact that this participation is based on self-selection, not on representation, could weaken this effect. The minor role of the advisory group in this case cannot be said to contribute substantially to input-based legitimacy among external interest groups, such as those representing regional recreational and environmental interests.

The decisions made in all three networks were linked to the decisions made by government, a fact which could contribute to input-based legitimacy. In Setesdal and Jostedalen the links were direct; the solutions agreed in the networks were formally approved by either municipal or state government. In the Nord-Gudbrandsdalen project, the link was more indirect. The network was accountable to its public sector supporters, the County Council and the inter-municipal regional council. Thus the most radical governance structure as regards the role of the network, the Nord-Gudbrandsdalen project, is also the weakest as regards procedures that contribute to input-based legitimacy, whether through representative democracy or through participatory democracy. The other two networks had closer links to representative democracy as well as more extensive stakeholder participation.

However, the links to representative government, whether direct or indirect, also impose certain constraints on the role of networks and their activities (Stoker 2000). In Setesdal, many local actors were highly critical of the constraints placed on off-road traffic and land development by the conservation rules. It is difficult for local municipal council chairs to both negotiate compromises with external and local environmental interests in the advisory group on the one hand, while being accountable to local community members on the other. This is probably one reason why the network has been given a minor role during the last years of the project. This case exemplifies the difficulty of combining strong local political interest and shared responsibilities in a network.

The realities of local politics were also present in the case of Nord-Gudbrandsdalen. Equitable distribution of the economic benefits between the municipalities is perceived to be important by the local municipal council chairs. This is a political constraint on the kinds of solutions that can be negotiated within the network. A project with indirect links to representative democracy and few possibilities of gaining input-based legitimacy from extensive participation by local stakeholders is vulnerable to a perception by a particular community that it is not getting its fair share of the benefits, but merely contributing to the welfare of neighbouring communities.

The interpretation of rural sustainable development

All three cases represent efforts to co-ordinate the policies of nature management and rural development between different levels of government. Public grants were used to fund positions at local or regional level, which imposed an obligation on the incumbents to promote a co-ordinated policy. Networks were established to link actors representing different sectors and interests and possessing different resources. Thus, efforts were made to build up local capacity to promote rural sustainable development. In this respect the projects differed from traditional environmental policy. The projects were temporary, and one has been terminated. This is a limitation, since a long-term perspective is necessary for promoting sustainable development. Since local governance reforms in Norway normally are initiated as short-term pilot projects, these projects might be the first examples of a future general reform.

Sustainable development can be understood as local economic development that creates jobs and other income opportunities for local people that do not damage the biodiversity and other ecological values of the area. The term 'rural sustainable development' refers to economic development based on the use of local natural resources. The main objective of Jostedalen and Nord-Gudbrandsdalen was to promote business development in order to secure jobs and attract settlement. The ecological aspects of development limit the kinds of activities considered to be sustainable. It is hard to say whether this represents a 'principled and consequential prioritisation of the environment' over and above sectoral interests (Lafferty and Hovden 2003). Business development is given priority at local level, but in general local actors accept that commercial activities must be subordinated to the environmental values safeguarded through nature conservation. Furthermore the perception of the relation between environmental concerns and rural economic development is changing; these interests are being perceived more as interdependent and less as conflicting.

However, in Setesdal there is still a strong focus on the conflict of interest between environmental concerns and local development. The case represents delegation of responsibilities within the environmental policy domain. In

spite of local ambitions, there were few connections between this network and the actors and resources in the rural development policy domain. Thus, the case represents less of a move away from traditional environmental policy. The different interpretations of, and practices in, rural sustainable development reflect the differences in participation between the cases. In Setesdal, the main participants are the municipal council chairs, representing local user interests, and public and private actors representing environmental interests, and this highlights the conflict between local use and central nature conservation. There were no actors advocating commercial activities founded on protected environmental values, such as eco-tourism. Such actors, both public and private, are well-represented in the other two cases, which may explain their focus on shared interests and interdependencies between nature conservation and the creation of income opportunities for local people.

In none of the cases, however, were there discussions on the fundamental implications of sustainable development for economic growth, either on the need to change consumption patterns or on the effects on transport and greenhouse gas emissions that would follow increased eco-tourism.

Conclusion

All three cases presented in this chapter are examples of state environmental authorities and actors representing local communities pooling their resources and sharing responsibility for sustainable development of rural communities adjacent to large protected areas. The local communities were represented both by local government and by private actors. The networks were important arenas for the discussion and operationalisation of the concept of rural sustainable development. In this way, the challenges of rural sustainable development have led to new governance arrangements.

By initiating and participating in these arrangements, local actors acquired more influence on development at the expense of both central government and market forces. State government supports this local ambition. The three initiatives were strengthened by recent changes in national policies. State government combined the use of supportive policy instruments facilitating and funding the development of local administrative capacity, sponsoring local ideas and negotiating the content of management plans with local actors, with the use of traditional policy instruments such as legislation and regulation of activities in national parks and other protected areas. Central government both facilitates governance and restrict its scope.

As regards participation by private actors, greater emphasis was placed on problem-solving capacity than on stakeholder participation. Right holders and entrepreneurs were included in decision-making while other stakeholders, with minor commercial or rights-based interests, were often excluded. This indicates that input-based legitimacy is not secured by extensive participation. Strong links to representative democracy at local and regional

levels seems to be the preferred alternative to extensive participation. Additionally, local councils tend to put the interests of their local constituency above the will to deliberate and negotiate agreements with external actors in a network. This is an example of the difficulties of combining the logic of representative democratic government and the logic of network governance. As noted by Connaughton *et al.* in the previous chapter regarding urban sustainable development in Ireland, new modes of governance co-exist with traditional practices, but are difficult to combine.

Sustainable nature resource management must combine the use of nature resources for the economic benefit of the local communities with nature conservation. Both dominant participation by private economic actors and close links to local representative government can lead to local business development being given priority over the ecological aspects of sustainable development. There were signs of such a trend in all three cases. That private economic actors advocate their self interests and local politicians promote the interests of their community is no surprise.

Since private actors representing the environmental and recreational interests are given a minor role in the three cases studied, the representation of these interests is mainly left to the state environmental administration authorities. This illustrates that government is needed alongside governance, to achieve a balanced development in situations of conflicting goals between central and local level. To promote their policy objectives, state environmental authorities both utilise the means of government and take part in the negotiations in the networks. So far they have left the question of private participation to local governments. If governance networks are to play a central role in the future, there is also a need to strengthen the position of private actors representing the interests of the environment. An extensive participation from private actors, including representatives of external recreational and environmental interests, would not only strengthen the input-based legitimacy of the network decisions, it could also contribute to the achievement of sustainable development.

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8 New interpretations of local governance for sustainable development in the Netherlands

Frans Coenen

Introduction

This chapter explores the promotion of sustainable development as an organising precept for the emergence of new forms of governance practices in the Netherlands. The Netherlands is recognised as a pioneer in the adoption of sustainable development as a key principle for public policy (OECD 2003). In particular, Dutch attempts to structure their commitment to sustainable development through national environmental policy plans has attracted international attention. In 1995, the OECD described Dutch environmental planning as an indicative, comprehensive, and implementation-oriented planning of a remarkably high standard, from which other countries had much to learn (OECD 1995b). The Dutch experience with environmental plans and strategies are very well documented in international literature (for example, Keijzers 2000, Liefferink 1999, Van Muijen 2000, Dalal-Clayton 1996, Johnson 1997, Jänicke 1996a, Jänicke *et al.* 1997, REC 1995, OECD 1995a, Bressers and Coenen 1996, Lampietti and Subramanian 1995). Relatively little, however, has been documented on the position of the Dutch local authorities in the pursuit of sustainable development.

In this chapter, analysis of the 15-year history of Dutch plans and programmes is used to ascertain how national and local strategies have engaged with sustainable development. Examination of the evolving perceptions of the policy requirements for sustainable developments is used to reveal trends in the Netherlands towards new governance patterns at the local level. The chapter also explores the corresponding changes in the role of the central state and its relationship to the local level.

The chapter addresses two main questions. First, how have top-down and bottom-up implementation efforts engaged with each other in the pursuit of sustainable development in the Netherlands? Second, did the implementation of sustainable development bring forward new governance patterns at the local level and new patterns in the relationship between national and local government, and if so, how?

Although Chapter 28 of Agenda 21 was a direct appeal to local authorities to draw up local sustainable strategies for their own communities,

national governments retain overall responsibility for implementation. However, because national sustainable development is impossible without the involvement of local authorities, every national strategy will somehow try to stimulate, convince, or force local authorities with communication, financial incentives, or command and control instruments to contribute to the task. This frames the promotion of sustainable development as an implementation problem.

Implementation efforts are typically analysed according to top-down or bottom-up evaluation of policy processes. In a top-down perspective, implementation requires clear, operationalisable sustainable development goals that are communicated early on to the lower levels (Jänicke and Weidner 1997). A top-down approach presumes hierarchical control over municipalities as implementation agents. Internationally, the Rio Earth Summit paved the way for a more bottom-up approach to implementation. In a bottom-up perspective, sustainable development goals, and how they are reached, are developed together with the policy target groups. Funding arrangements form an essential part of either strategy. Typically, a top-down strategy makes use of 'command and control' and financial instruments. In a bottom-up approach, processes of joint commitment building with financial autonomy and local priority setting would be more appropriate. Arguments for bottom-up development of sustainable development strategies are closely aligned to more general arguments for administrative and political decentralisation. Arguments in favour of decentralised policies processes include the advantages of grass-roots democracy, the importance of using local knowledge, and the necessity of local political commitment.

Central–local relations in the Netherlands

The Dutch constitutional context is of great importance for understanding the balance between top-down and bottom-up implementation of sustainable development policies. The Netherlands is a decentralised unitary state. The administrative system compromises three levels of government: about 450 municipalities (*gemeenten*), 12 provinces (*provincies*), and the central government. The unitary nature of the state is based on agreement between the three layers of government, not on central government alone. The lower levels are responsible for their own affairs and, to a limited extent, can take their own initiatives. This freedom of initiative, however, is restricted by the constitutional obligation to implement legislation passed by higher authorities.

The Dutch Constitution (1848) and the Municipalities Act (1851) frame the legal position of Dutch municipalities. Certain factors limit municipal autonomy. The Mayor is centrally appointed and budgets and other important financial and planning decisions require higher approval. Central government also possesses the power to overrule any action by local government considered illegal or contrary to the public interest. A large part of

local authority activities involves co-government with the centre. The Dutch system of local government is difficult to align with categorisations of local government, such as that provided by Hesse and Sharpe (1991). Characteristic of the Dutch system is the relatively high degree of centralised state control and relatively high financial dependence of municipalities on the centre. The degree of policy autonomy varies across policy sector. For instance, the municipalities have a strong role in the provision of public services.

Funding arrangements for the pursuit of local sustainable development fall into the general arrangements for municipal revenues. More than 70 per cent of municipal revenues in the Netherlands come from the national budget. Specific grants, which fund joint administrative tasks, account for around 40 per cent of total municipal income. The general grant from the Municipal Fund is used to finance autonomous tasks as well as general statutory tasks imposed on the municipalities. In addition to grants from central government, municipalities also have their own independent income from taxes (including levies and fees) and other revenues (such as charges and interest).

Until the end of the 1980s, local environmental management was seen as an autonomous task for municipalities, to be paid for from the general municipal budget. When evidence mounted that implementation was being blocked by the limited capacity of public authorities at the local level, additional funds were made available by the central state. These funds, provided under government-sponsored programmes, including the 'contribution to implementing the municipal environmental policy decree' (BUGM) scheme, the 'Funding the Implementation of the National Environmental Policy Plan' (FUN) programme (both running from 1990 to 1995), as well 'the supplementary contribution scheme for developing municipal environmental policy' (VOGM) programme, (which ran from 1996 to 1998). Baker and Eckerberg discuss these funding programmes in Chapter 2.

Changing perceptions on sustainable development at the national and local levels

Dutch environmental policy is framed by the long-term strategies laid down in National Environmental Policy Plans (NEPPs). The goal of Dutch environmental planning is sustainable development (Bennett 1991, 1997; van Geest and Ringeling 1994). Soon after the publication of *Our Common Future* (WCED 1987), the Dutch government adopted the concept of sustainable development as the overall guide for government policy. The concept was then incorporated into the first NEPP (NEPP-1) (Nationaal Milieubeleidsplan 1989). This has been followed by four further NEPPs, the most recent being NEPP-4, introduced in 2001, which formulates policy up until the year 2030 (NEPP-4 2001). In the run up to the Johannesburg Summit, the 'national strategy for sustainable development' was prepared

2002 (NSD 2001). After the Summit the strategy was transformed into an International Action Programme for Sustainable Development (IAP 2002) and a National Action Programme on Sustainable Development (Sustainable Development Action Programme 2002).

Municipalities also prepare their own local sustainable development strategies. These fall into two types, Local Environmental Policy Plans (LEPPs) and Local Agenda 21 Plans (LA21 Plans). After the publication of the Brundtland Report (WCED 1987), there was great interest in the idea of sustainable development at the municipal level. Between 1988 and the mid-1990s, the number of larger municipalities (with more than 30,000 inhabitants) with an LEPP rose from one-third to more than two-thirds (Coenen 1996; ECWM 2001). Similarly, the number of municipalities with an LA21 Plan rose from a dozen directly after Rio to more than 170 at its peak at the end of the twentieth century (Coenen 1998a). The number of LA21 Plans has decreased since then.

We follow the Sustainable Development Reporting Protocol, described in the Introduction, to detect the ways in which the sustainable development concept has been interpreted and applied in the Dutch national and local contexts. The seven characteristics of the Reporting Protocol help ascertain whether Dutch governmental efforts to promote sustainable development represent a genuine shift in policy focus away from the more traditional environmental management approach and whether involvement in sustainable development goes beyond a commitment to ecological modernisation, as described in the Governance Reporting Protocol.

Table 8.1 shows that the first three NEPPs focused their attention on traditional environmental policy. The main goal of NEPP-1 was to achieve technical solutions to environmental problems within a single generation. Its starting point was the report 'Care for Tomorrow' (RIVM 1989). This report revealed the seriousness of many Dutch environmental problems and pointed to the need for significant reductions in environmental load, given the environmental carrying capacity of the Dutch ecological system. The NEPP-1 and NEPP-2 take quite a technocratic view of sustainable development, focusing mainly on restriction of pollution within a given environmental carrying capacity (NEPP-3 1998; NEPP-2 1993). The NEPP-4 introduced the concept of persistent environmental problems (NEPP-4 2001). Some problems, such as waste, were seen as being more or less under control in that sufficient funds and technical means could be made available to solve waste issues within a decade. Other environmental issues, such as climate change, have turned out to be more complex than originally thought. Tackling these issues is seen as requiring radical social changes, which cannot be brought about in one generation, nor can they be solved by planning alone.

The focus in the first three NEPPs on the reduction of emissions through technical and managerial changes, and, in particular, the stress in the NEPP-3 on decoupling economic growth from negative environmental

Table 8.1 Key components of Dutch national sustainable development plans and strategies

	NEPP1/NEPP Plus	NEPP2	NEPP3	NEPP4	National Sustainable Development Strategy
Time frame	1990–1994	1995–1999	1999–2003	2001–2030	2002–2030
Policy focus	Reducing emissions	Reducing emissions	Decoupling environmental pressure from economic growth	Quality of life; addressing manageable and solvable environmental problems; addressing persistent problems	Coherence between ecological, social, and economic (sustainable development) goods
Nature of solutions	Technical solutions within one generation	Technical solutions within one generation	Maintain goal of absolute decoupling	Solving persistent environmental problems through long-term societal changes	Sustainable development
Signatories	Ministers of: Spatial Planning, Housing and Environment; Economic Affairs; Agriculture, Nature and Food Quality; Transport, Public Works and Water Management	+ Minister for Development Cooperation	+ State Secretary for Finance	+ Ministers of: Health Welfare and Sport; Urban Policy and Integration; Finance	Ministerial Governing Committee

impacts, frames the interpretation of sustainable development as 'ecological modernisation' (see Introduction to this volume). Over this time frame, a clear move from more traditional environmental management and the interpretation of sustainable development as ecological modernisation can be seen. However, more recently Dutch policy moves more towards a conceptualisation of sustainable development that is closer to the classic Brundtland formulation.

To understand how far beyond traditional environmental management and ecological modernisation the more recent Dutch engagement with sustainable development actually goes requires a closer look at the different compounds of sustainable development.

The emergence of new forms of governance and central–local relations

Sustainable development requires a high level of government commitment

Through the development of the NEPPs, the Dutch have showed their willingness to make the promotion of sustainable development an overall guideline for government policy. In addition, they have developed numerous policies on more specific aspects of sustainable development. The NEPPs also make clear reference to EU goals and have made, in turn, key contributions to the development of EU framework documents.

However, while the Rio Earth Summit called for immediate action, including through Agenda 21, this did not lead to the formulation of specific strategies for the promotion of sustainable development in the Netherlands. It was not until the country began preparing the national strategy for sustainable development in 2001 that efforts were made to adopt a strategic approach. The strategy commands high levels of political commitment, as it was developed under a Ministerial Governing Committee chaired by the Prime Minister.

Sustainable development requires institutional support

In the wake of the 1992 UNCED Summit, many countries established a National Commission on Sustainable Development. However, the Dutch preferred to stimulate institutional innovation and reform within existing institutions, including at the sub-national levels. It was also felt that several advisory boards and scientific councils that were already in existence, such as the Central Planning Bureau (CPB), the Environmental Planning Bureau (RIVM), the Scientific Council for Government Policy (WRR) and the VROM council, performed functions very similar to the National Commissions in other countries. In addition, it was argued that the Dutch national environmental policy planning procedures already involved various government and non-governmental actors and agencies.

Over time, however, the National Committee on International Co-operation and Sustainable Development (NCDO) became a key agent stimulating local sustainable development within the Netherlands. Around 50 NGOs from all sectors of society participate in this Commission, which aims to stimulate the debate on sustainable development at the national level. In 1998, the Ministry for Environment made money available through the NCDO for the so-called 'Local Agenda 21 Fund'. This Fund was aimed at local groups, organisations, or individuals wishing to implement or initiate an LA21 or LA21 activity. This, it was hoped, would catalyse local sustainable development.

Sustainable development requires policies that cut across traditional policy fields and take account of sectoral linkages

NEPPs are comprehensive plans that cover a wide range of environmental issues (such as waste, air quality and noise) and related policy sectors (including traffic, housing and spatial planning). Environmental policy integration is also addressed within the NEPPs by specific cross-cutting themes (for example, acidification, the manure problem, and groundwater depletion), designed to bring out the linkages between sectoral policy fields. This integrated approach is evident by the fact that a variety of Ministers are involved in the policy design of the NEPPs: NEPP-1 involved input from four ministers; the most recent NEPP-4 has spread responsibility across seven different Ministerial departments.

In NEPP-1, the links between environmental protection and the economic and particularly the social pillar of sustainable development were weak. NEPP-1 and NEPP-2 both emphasised the ecological dimension of sustainable development. Their main focus was on reducing environmental impacts, rather than promoting social change. NEPP-3 pays more attention to the economic dimension of sustainable development and looks more closely at the social trends needed to decouple continuing economic growth from increasing environmental pressure. NEPP-4 added a clear social dimension by giving priority to quality of life and social welfare issues.

The starting point for the Dutch national sustainable development strategy is to embed all policy areas within the framework of sustainable development. It pays particular attention to the need to elaborate time and space perspectives ('the here and now' but also 'the later' and the 'elsewhere') in environmental policy integration. In addition, these criteria have to be used in decision-making for all major investments of government. Each ministry is also requested to give an overview of their contribution to sustainable development in their annual budget, to be discussed in Parliament.

However, most progress in relation to environmental policy integration has been made at the national, as opposed to the sub-national, level. In contrast to the NEPPs, the LEPPs and LA21 Plans are best conceptualised as environmental plans rather than sustainable development strategies. Three

arguments support this claim. First, the focus of the LEPPs and LA21 Plans is narrow, being primarily concerned with the environment and issues of 'liveability'. Second, LEPPs and LA21 Plans have a limited influence on non-environmental policy areas. Third, sustainable local development initiatives and projects are not seen as linked to LEPPs or LA21, but to national policies and initiatives.

In relation to the first argument, although most LEPPs address the whole range of environmental compartments and related policy sectors (traffic, housing, spatial), only a third of them make use of cross-cutting integrating themes from the NEPPs (Coenen 1996). Only the bigger and more urbanised municipalities have developed integrated plans. The LA21 action plans often concentrates on issues in relation to the surrounding environment, such as dog fouling and litter, or on concrete projects, such as sustainable building or energy saving. The global dimension and the North-South problematic received relatively little attention in Dutch LA21 plans (Coenen 1999).

Second, despite expectation that policy integration would be easier to achieve at the local level, environmental goals continue to have only limited influence on other policy areas at the local level (ECWM 2001). Existing policy commitments and organisational culture at the local level continue to act as barriers to effective integration. Resistance to what is seen as the incursion of environmental policy into other policy sectors also depends on how far the LEPP is considered as merely an 'environmental' initiative (Coenen 1996). In addition, because the Ministry for the Environment funded many Dutch LA21 initiatives, they were seen as environmental schemes and as only weakly linked to ongoing planning and policy processes in other sectors.

Third, the national level continues to dominate policy developments. In many policy areas, inter-policy integration is given shape at the national level and then implemented locally. For example, sustainable development principles are taken into account in spatial and traffic planning at the national level and then implemented at the local level. As a result, many good municipal sustainable development initiatives, such as sustainable building and green transport, do not become associated with the LA21, nor are they seen as linked to the implementation of the LEPPs.

Sustainable development requires interaction between international, national and decentralised levels

A truly interactive process requires the development of local sustainable development strategies that are more than a mere local copy of a national strategy. In addition, the local level has to be able, in turn, to influence national policy.

From 1990 to 1998, Dutch municipalities were allocated extra central government funds to improve and expand their administrative capacity.

This assistance arose from dissatisfaction with environmental policy implementation at the local level, which was attributed to lack of expertise within municipalities. The presence of this earmarked funding enhanced the perception that LEPPs were top-down initiatives, primarily concerned with implementation, rather than bottom-up, locally formulated sustainable development strategies. This top-down perspective is evident in the so-called 'Central Plan for Enacting the National Environmental Policy Plan' (VNG/VROM 1990), negotiated between national government and the municipalities. Municipal actions in this Plan were financed through earmarked funds and implementation was strictly controlled by the Environmental Inspectorate, an agent from the Ministry of Environment. As a result, the LEPPs closely followed national policy in their content.

More generally, it can be argued that, between the 1970s and until recently, local authorities lost much of their autonomy in environmental affairs. In the 1970s, for example, responsibility for the environmental management of big companies were taken away from the municipalities and given to the provinces. In part, this is related to the problem of environmental expertise. In a small municipality, the number of environmental experts is always limited. The period of earmarked funding for environmental policy (1990–1996) contrasts with the general tendency in the late 1990s and early twenty-first century towards decentralisation and growing self-responsibility for local authorities. The BUGM and VOGM funding initiatives (as discussed in Chapter 2 by Baker and Eckerberg) were specifically designed to encourage co-operation at this higher, provincial level, because it is at this level that greater expertise exists. This manner of implementation within municipalities also contrasted with the consensual strategies that national government used with other implementing agents, such as target groups within business sectors.

At the end of the 1990s, the national government began working on a law that would regulate statutory environmental policy planning. This resulted in considerable discussion as to whether municipalities should turn their LEPPs into local sustainable development strategies. One concern was that of ensuring a correct balance between central and generic policy and area specific policies, and between national standards and local priority settings. There were also arguments that the local level is not the most appropriate level for strategic decision-making, as local environmental policies tend to be more concerned with concrete activities. This would make it more fitting for local government to develop concrete, operational plans and not strategic policy documents. The outcome of these discussions was that concrete, operational management plans were required for all municipalities, but that strategic LEPPs were voluntary, being especially targeted at larger municipalities.

Chapter 7 of the national sustainable development strategy explicitly addresses the role of local authorities (NSD 2001). National government requires municipalities, provinces and the Water Boards to draw their own

strategies for sustainable development, in addition to implementing the national strategy. However, national government recommends that the other tiers of government build upon existing experiences and expertise. This reflects the fact that the period since the mid-1990s has been marked by a general tendency towards more policy freedom in the environmental field at the local level. In particular, existing regulations and national standards in the field of spatial urban planning, noise abatement and soil remediation have begun to be considered as too rigid and as possible hindrances to urban development. As a result, some exceptions to the norms are now tolerated, so long as they are compensated for in others areas.

Another, more recent approach is to encourage horizontal patterns of cooperation, in particular between municipalities. One way of stimulating local sustainable development are the networks and pilot projects funded under the so-called GIDO (Collective Initiative Sustainable Development) and the NIDO (National Institute Sustainable Development), discussed by Baker and Eckerberg in Chapter 2. Another similar policy initiative is the so-called 'learning for sustainable development' programme (SenterNovem 2006). A whole range of ministries (Agriculture, Environment, Foreign Affairs, International Development and Education) and the national associations of municipalities, provinces, and Dutch Water Boards helped to draw up a policy programme and co-finance this project. The starting point is that sustainable development requires knowledge, insight, skills, commitment, and the willingness to act from societal actors. These qualities have to be learned. The first phase of the Programme was implemented from 2000 to 2003 and has now been extended for a second phase. The Provinces coordinate the implementation of the programme. They draw up so-called 'provincial ambition statements' and allocate money to proposed projects.

Sustainable development requires active involvement of stakeholders

Dutch society is noted for its consensus-based approach to policy-making, built around a long-standing tradition of government consultation with various social groups. The tradition of consultation is often institutionalised in tripartite forums with government, employers and labour unions, often referred to as the 'Dutch Polder Model'. This model has been credited with the Dutch economic miracle of the late 1990s. This economic success story formed an inspiration for other policy areas. The lesson learnt was that new institutional arrangements can create opportunities for the parties to engage in constructive and economically beneficial discussion.

The Dutch polder model formed the inspiration for the more specific 'green polder model'. In this model, social organisations are given the opportunity to present their opinions, views and arguments at an early stage in the environmental decision-making process, when alternative scenarios are still open. The green polder model is a specific form of interactive

policy-making that recognises two important factors (Glasbergen 2002). First, it recognises the importance of environmental and nature conservation groups and gives these groups a formal role in the decision-making process. Second, it recognises the changing role of government, which is no longer able to prepare and make radical decisions relating to the environment and infrastructure on its own. The model provides an additional institutional framework for consultation, alongside existing formal consultative and advisory mechanisms, as laid down by law.

The NEPPs and the LEPPs are made under statutory planning law, which propagates the principle of 'open planning'. Open planning means involving stakeholders (such as citizens, businesses, environmental bodies, and other government authorities) in the planning process and at an early stage. Stakeholders are particularly involved in plan implementation. The utilisation of 'open planning' had already appeared by the beginning of the 1980s (Coenen 1998b). This was in response to concerns that many planning processes were mainly directed towards what government could and should do, underestimating the role of other actors in realising social change. Ideas from the Dutch Scientific Advisory Council to the Government (WRR) were particularly influential in ensuring that governments paid more attention to the 'external dimension' of planning (den Hoed *et al.* 1983). The communicative role of policy documents in the implementation of plans was also stressed at this time. In the communicative approach, the aim is to try to implement plans not by wielding power but by convincing implementing agents and target groups to act. Advocates of communicative planning emphasise an open planning process, shared responsibility, and internalisation of the goals of the plan (Healey 1992, 1997; Fischer and Forester 1993).

Dutch planning has also introduced the so-called 'target group approach', whose underlying philosophy is that environmental problems are best solved through consultations with the polluters, that is, the target group. In the first three NEPPs, the planners sought to obtain prior agreements with the target groups who would be affected by the measures in the Plans. As a result, these NEPPs were the result of a series of negotiations with the target groups (Coenen 1998b). These agreements were later drawn up as covenants. This has led to numerous voluntary environmental agreements, where national government enters into an agreement with the most important sectors of industry in order to reduce emissions from a particular sector. Similar rounds of consultations were held for the NEPP-4.

In the formulation of the national strategy for sustainable development, a wider range of actors were involved, including non-governmental organisations, youth organisations, as well as the business community. The process included bilateral talks with relevant departments and non-governmental organisations. Additionally, a series of workshops were held, with a view to devising implementation strategies. In contrast, however, local environmental plans mainly use traditional forms of participation, such as hearings (Coenen 1998b). Thus, while some local environmental policy plans work

explicitly with a target group approach, these are a minority. In LA21 participation processes are very diverse and range from limited consultation to structured participation platforms (Coenen 1999).

However, the consultative practices embedded in the Dutch approach to planning have led to problems (Coenen *et al.* 2001). In the 1990s, newly planned large-scale infrastructural projects were subject to considerable debate within society, including for example the proposed *Betuwe* rail-link for freight transport to Germany. Public support for these large projects was often weak and participatory practices offered many opportunities for groups to take legal action that, in turn, caused decision-making deadlock. Opposing actions came not only from local, regional and national environmental organisations and other societal groups but also from municipal and provincial authorities. Although the traditional participation methods offered a voice to all the parties concerned, this input came relatively late in the decision process. Typically, large-scale infrastructural projects require considerable effort on the behalf of the authorities that initiated them long before the consultation stage is reached, in particular so as to obtain initial, internal approval for specific options. The consequence was that by the time municipalities and societal actors became involved, they felt that they were been consulted too late in the process. For instance, in the case of the *Betuwe* freight-train link, participation was directed towards discussing the precise route of the rail-line and how it could best be fitted into the landscape, but the decision on whether such a railway was needed in the first place had already been made. As a result of this, and other similar disputes, new governance arrangements eventually emerged that offered local authorities and societal organisations the opportunity to take part in earlier, and more fundamental, discussions about the need for new infrastructural developments. In these more fundamental discussions, the dialogue is strongly linked to the need to strike a balance between the economic and ecological pillars of sustainable development.

Sustainable development requires political renewal

This new form of dialogue is closely related to another development in Dutch society. The 1990s saw the emergence of new patterns of engagements between local government and their citizens. The catalyst for this so-called political renewal (*bestuurlijke vernieuwing*) was the low turn-out rates at local election, combined with increasing levels of voter apathy toward municipal policies. Voters did not consider municipal politics as an important political arena were citizens should get involved.

The process of political renewal or 'political and administrative modernisation', as it is sometimes called, turned attention to the policy style of municipalities, which came to be seen as too formal and closed, with public administration directed inwards at the organisation itself. This resulted in citizens seeing themselves more as consumers than as voters, and as 'left out'

from a policy-making process that had come to be dominated by experts and an 'inner circle' of politicians. This gave citizens no room to channel their own needs and problems into local politics. The process of political renewal then led to a search for new ways of policy-making, which can better accommodate the demands of citizens. This means that local administrators and politicians seek to change modes of interaction with the citizenry.

Attempts at political renewal led to a number of local political experiments, which can be categories as either 'instrumental' or 'communicative' (Veldboer 1996). The instrumental approach introduced instruments to find out what citizens think, mean and want, such as a referendum or some form of opinion research. The communicative approach involved changing the mode of policy-making. Instead of involving citizens after draft plans have been completed, they are brought in at the outset of the policy-making process (interactive policy-making). Political renewal also took place at the national level. The ministry of the environment, for example, has increasingly tried to treat citizen behaviour as central to sustainable development policies and plans.

LA21 is often labelled as an example of political renewal. Not only did LA21 promote new patterns of governance, but it also played a role in the changing institutional context of local democracy in the Netherlands and, as such is interpreted as closely linked to, or even an exponent of, Dutch political renewal (Coenen 1998c). The development of LA21 is here linked to the need to overcome the crisis in local democracy. However, this new form of governance is neither unique to the task of implementing sustainable development nor was it initiated by the Dutch commitment to pursue sustainable development

The promotion of sustainable development calls for long-term policies

The NEPPs are noted for having taken a long-term planning perspective. In the first Plan, the aim was to solve the environmental problems within a single generation, giving a 30-year horizon to the Plan. The perspective of the Strategy is even longer (25 to 50 years). LEPPs, however, often work on a much shorter time-scale, adjusted to the time horizon of the local electoral cycle and also because their goals and actions are less strategic and more concrete.

Conclusions

The first question that this chapter sought to address was: how have top-down and bottom-up implementation efforts engaged with each other in the pursuit of sustainable development in the Netherlands? The analysis shows how the NEPPs are an expression of the Dutch commitment to making the pursuit of sustainable development the overall guide for public policy.

Table 8.2 Implementation and planning style

	NEPP1/NEPP Plus	NEPP2	NEPP3	NEPP4	National Sustainable Development Strategy
Implementation style	Phased implementation; priority themes; target groups as implementing agents	Responsibility shifted to implementing agents	Establishing means for decoupling	Policy renewal; internalize environmental costs in prices	Joint planning and transition processes
Objective of planning	Technocratic vision; reduce environmental impacts	Technocratic vision; reduce environmental impacts	Decoupling; addition of economic pillar	Quality of life	Three pillars of sustainable development
Planning style	Agreements with other actors	Government: business covenants	Market given role in decoupling	Criticism of covenants; negotiation on persistent environmental problems	Transition processes

Nevertheless, the Dutch did not follow other countries in the establishment of sustainable development institutions at the national level but preferred institutional innovation and reform within existing institutions, including at the sub-national levels. Stakeholders are actively involved in these policy processes, because of the propagation of the principle of 'open planning' in the statutory planning law. There is also a more recent trend, evident in particular in the national strategy for sustainable development, to involve stakeholders at a very early stage in policy framing.

In contrast to the strong role of central government, the analysis also shows that national planning efforts are not matched by similar strategic efforts at the local level. Thus, while regional and local authorities also developed their own local sustainable strategies, these are often mere local copies of national strategies. Neither the local environmental plans nor the Dutch LA21 initiatives have led to integrated, comprehensive, local sustainable development strategies. Compared with the NEPPs, the LEPPs are more in the nature of environmental plans than sustainable development strategies. The content of the LEPPs and LA21 Plans is narrowed down to environment and liveability and they have had a limited influence on non-environmental policy areas. Sustainable local development initiatives and projects are not linked to LEPPs or LA21, but remain firmly anchored to national policies and initiatives. In short, the interface between the national and sub-national levels is the weak link in the Dutch commitment to the pursuit of sustainable development. As Baker and Eckerberg point out in Chapter 2, one likely explanation for this lies with the way funding was organised. The VOGM and BUGM funds strengthened the idea that a sustainable development strategy was something that belonged in the environmental policy field and that required top-down steering. As such, such funding initiatives hindered the development of sustainable development strategies at the local level.

The second question addressed in this chapter was: did the implementation of sustainable development bring forth new governance patterns at the local level and new patterns in the relationship between national and local government, and if so, how? In the first NEPP, the goal at the end of the plan period (1994) was presented in advance. The NEPP-1 displayed signs of blueprint planning (Dalal-Clayton 1996; Ringeling 1990). Here, certain objectives and measures were declared desirable, without clearly stating whether adequate measures, resources and power were available to implement the Plan (Ringeling 1990). There was too much plan and too little planning process, such that NEPP-1 can be seen as having been made over the heads of those involved in implementation (the business community, lower tier authorities and target groups). Individual citizens also played a marginal role in the planning process, and political integration with lower tier authorities was limited (van Geest and Ringeling 1994). In contrast, however, the NEPP-4 states that 'a government that dictates solutions cannot change society' and thus forms the starting point for a new depar-

ture: the development of a joint 'bottom-up' and 'top-down' planning process. The general shift in the style of planning, from a more orthodox, top-down type of planning towards more joint planning, is contributing to a change in central–local relations.

The analysis also distinguished four main arrangements to institutionalise stakeholder processes in the pursuit of sustainable development: open planning, the green polder model, consensual strategies, and political renewal. The socio-economic polder model and its economic success story inspired new institutional arrangements. The policy style adopted to implement Dutch commitment to promote sustainable development is a reflection of these more general arrangements. Nevertheless, we argued that these general forms take on specific characteristics as they address the tasks associated with the implementation of sustainable development. From these characteristics, it is clear that new forms of governance emerged during the implementation of the nation's commitment to sustainable development.

However, these new forms are neither unique to the task of promoting sustainable development nor were they initiated by the commitment to pursue sustainable futures. The drivers for new governance arrangements are more general and are rooted in efforts to find solutions for problems with traditional participation procedures, ones that offer possibilities for local authorities and societal organisations to take part in a more fundamental discussion about the need for new policies and infrastructure. In these more fundamental discussions, sustainable development nonetheless remains an important policy frame. Similarly, processes of political renewal were not initiated as a result of the commitment to pursue sustainable development. Thus, while the pursuit of sustainable development promotes new pattern of governance, these changes are best seen as taking place within, and driven by, more general changes in the institutional context of democracy, including its practice at the local level.

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Conclusion

Combining old and new governance in pursuit of sustainable development

Susan Baker and Katarina Eckerberg

Part 1: General summary of the chapters

In Chapter 1, Berger and Steurer examined the steering capacity of the central state to promote sustainable development at the regional level through the use of national sustainable development strategies. In the four selected EU member states, they showed that other strategies, such as national development or spatial plans, have a greater influence on regional models of economic development than the NSDSs. They also revealed that EU Structural Funds, while contributing to increase general capacity at the regional level, are more concerned with the implementation of traditional economic development and, more recently, the promotion of social cohesion rather than sustainable development. Capacity building at the regional level was particularly geared towards horizontal integration, where many European regions have developed inter-regional co-operation in order to define common strategies and establish platforms for lesson learning and policy transfer. While this helps promote new forms of governance, they concluded that genuine sustainable development projects, that integrate economic, social and environmental considerations, are still the exception rather than the rule in European regions.

Baker and Eckerberg then took the theme of funding further by examining the significance of central government funding for the promotion of sustainable development at the sub-national level in five EU member states (Chapter 2). Analysing a range of centrally funded initiatives, they found that, while such funding is symbolically important in that it signals a shift from declaratory intent to practical commitment, these initiatives pay greater attention to ecological targets than to integrating social and economic pillars into a sustainable development paradigm. Yet, their findings also point to the connection between the use of traditional economic instruments and the promotion of new processes of governance, and even to the extent that economic instruments can be central to catalysing local authorities' engagement in public–private partnerships and in networks that include civil society stakeholder groups. Their chapter highlighted the significant role of what had hitherto been seen as traditional, economic steer-

ing instruments for the development of new governance practices, including the enhancement of sub-national capacity in the pursuit of sustainable development.

Enhancement of social and institutional capacity to promote sustainable development at the local level formed the focus of the research by Evans *et al.* (Chapter 3). Local governments were identified as the prime 'movers' for local policies towards sustainable development, mobilising local agencies, resources and civil society stakeholders. Despite the fact that governance networking is increasingly playing a critical role, Evans *et al.* reminded us to continue to take account of the role of traditional governing activity. National legislation and policy priorities are key drivers for sustainable development, and although local governments may pursue innovative and adventurous policies without central government support, policy capacity is enhanced when this traditional government support is present.

Capacity building, in particular as it relates to institutional capacity, was also explored by Hanf and Morata (Chapter 4). Their analysis of LA21 in Catalonia produced findings similarities to those of Evans *et al.*, in that political leaders and administrative officials in local government were found to play a crucial role in promoting LA21. Despite, however, the support given to LA21, the environment continues to remain relatively marginalised in local development strategies. They confirmed that the majority of LA21 initiatives in Spain address ecological issues, and that the requirement of environmental policy integration, which lies at the heart of sustainable development agenda, is at loggerheads with the sectoral organisation of local administration. They also argued that government remains important, as governance is unlikely to come about if there is no effective government commitment to the pursuit of sustainable development.

Kern looked at the impact of LA21 on the pursuit of sustainable development, examining policy learning and transfer within the German federal structure (Chapter 5). The fact that the federal government in Germany has been a laggard in relation to strategic planning for sustainable development opened up a window of opportunity for *Länder* initiatives. All of the *Länder* started LA21 initiatives soon after the Rio Summit in 1992, setting new trends in governing patterns across German *Länder*. Differences in *Länder* commitment to implementing sustainable development can be explained by their social, economic and cultural capacities, ecological pressures and the existence of policy entrepreneurs. Policy entrepreneurs also proved to be important in the cases studied by Evans *et al.* and in the Catalan experiences discussed by Hanf and Morata. In addition to this influence, Kern pointed to the importance of policy transfer agencies at the *Länder* level and to financial support in shaping policy outcomes. In addition, she showed that the political party in power plays a crucial role in the framing of sustainable development and in the advancement of different policy patterns, that is, whether and to what extent new governance and traditional government patterns are used or combined.

The study of waste management in Ireland by Connaughton *et al.* illustrated a policy area representing traditional environmental management issues that are now struggling to adapt to the broader sustainable development agenda (Chapter 6). Policy innovations and rhetoric at central government level did not result in the emergence of effective governance capacities to realise sustainable solutions in waste management. The Irish policy approach is more aligned to 'development that has to be sustained', with a blurred acceptance of ecological modernisation. They also found a continuation of government and central public institutions and actors, with waste management remaining a top-down process driven by the need to comply with EU legislation. Nevertheless, there was evidence of new patterns of governance emerging in relation to waste management, but confined to public–private partnerships for the operation of domestic waste collection services and incineration. These governance processes, however, remain firmly rooted in longer standing partnership approaches towards the management of industrial development and growth, and are driven by new public management principles.

When Hovik examined the emergence of governance networks to promote rural sustainable development in Norway (Chapter 7), she found that policy continues to give central place to economic, in particular business, interests over sustainable development concerns. Emerging governance networks were, however, significant in that they have given a voice to local communities and enhanced their influence over local development. Yet, central government continues to be a key player, combining, on the one hand, the use of supportive policy instruments, designed to enhance local administrative capacity, with, on the other hand, the use of traditional policy instruments, which enhance the role of the central state. Here again, evidence is noted of government being combined with new, network governance in the pursuit of sustainable development.

The final empirical study by Coenen contrasted the strong role of Dutch central government, in particular in relation to national planning models, with the weak efforts made at the local level (Chapter 8). Neither local environmental plans nor Dutch LA21 initiatives have led to integrated, comprehensive, local sustainable development strategies. Despite this, however, national sustainable development planning has stimulated the development of new governance patterns at the local level and new patterns in the relationship between national and local government. Current national planning has seen a shift in the style of planning, from an orthodox, top-down approach towards more joint planning, policy flexibility and policy freedom, with greater engagement of mixed public and private networks. However, these changes are not driven by Dutch commitment to the pursuit of sustainable development, but by efficiency considerations, in particular in relation to implementation delays caused by weaknesses in traditional participation procedures. They are also closely linked to the processes of political renewal. Thus, while the pursuit of sustainable development promotes new pattern of

governance, these changes are best seen as taking place within, and driven by, more general changes in the institutional context of democracy, including at the local level. In these more fundamental discussions, sustainable development nonetheless remains an important policy frame.

Having provided the reader with a brief summary of the chapter contributions, we now turn to examining how and in what ways these empirical studies can help us answer the research questions of this book. To what extent is the implementation of sustainable development policies at the subnational level structured by, and in its turn structuring, 'new' patterns of governance? It will be recalled that we organised this book around the use of two reporting Protocols, a sustainable development and a new governance protocol. The Protocols proved very useful in streamlining and focusing contributions, helping to frame and organise the analysis of the case material in each chapter. However, authors had difficulty in exploring each and every aspect of the Protocols. In some cases, only parts of the Protocols were relevant and in other cases, answering all issues would have deflected from the core focus of their contribution. In addition, as is so often the case, in the applications of such heuristic devices overlapping categories are uncovered, making it difficult to separate findings. Despite these limitations, however, the use of the Protocols enabled us to solicit emerging patterns of findings and to group these into main themes. It is to this we now turn.

Part 2: The sustainable development reporting protocol

As mentioned in the Introduction, the Sustainable Development Reporting Protocol was designed to distinguish government efforts to promote sustainable development from a more traditional environmental management or ecological modernisation approach. We asked contributors to analyse the pursuit of sustainable development (1) at the declaratory level; (2) in relation to policy context; and (3) in terms of policy content. Through the lens of their own case or country studies, contributors were also asked to explore the links between commitments to the promotion of sustainable development at the EU and national levels and sub-national engagement with implementation tasks. However, we realise that several of these topics of analysis overlap considerably with the research questions posed in the New Governance Protocol, in particular those pertaining to the *process* variables, such as multilevel governance, participatory approaches and the use of 'new environmental policy instruments'. Therefore, we leave the bulk of the discussion on these process variables to section 3, which discusses the findings stemming from the use of the New Governance Protocol.

1 *Sustainable development at the declaratory level*

There is no doubt that the commitment to the promotion of sustainable development is well established at the declaratory level, across all levels of

government within the EU member states studied in this volume. All contributors referred to this commitment and to the explicit links between member state and EU engagement, although the impact of such vertical links varied among the countries studied. Both the development of national sustainable development strategies and the emergence of LA21 at the local level were showed to be spurred by global and EU commitments (see in particular Chapters 1, 3, 4, 5 and 8).

2 Sustainable development in policy context

In relation to the policy context, the Protocol asked contributors to examine how, and in what ways, the policy towards the sector or issue under investigation is embedded in a wider national sustainable development strategy. We also asked them to examine attempts to promote environmental policy integration (EPI) in policy design and further, to analyse the connection to Local Agenda 21. Having set the context, contributors were asked to explain the processes by which the commitment to sustainable development was acted out. This involved examining institutional capacity, as well as discussing recent attempts at capacity enhancement at the sub-national level. In particular, the emergence of new institutional and network arrangements for lesson learning and policy transfer were to be investigated.

   An analysis of the range of policy instruments at the disposal of the different levels of government, including funding, and whether there is evidence of increased use of new policy instruments, of public/private partnerships and of participatory approaches to policy-making and implementation is, as explained above, presented below in section 3.

The role of national sustainable development strategies in stimulating sub-national engagement

In the countries investigated in this volume, responsibilities for implementing national sustainable development strategies has been allocated to both regional and local levels of government and various types of co-ordination mechanisms have been devised for this purpose. The Dutch appeared to have the most comprehensive national approach, since they clearly address joint planning and transition processes in pursuit of sustainable development, including at the sub-national level. In the Netherlands, the long tradition of government consultation with various social groups, combined with strong linkages between central and local government, provides the institutional framework for the national strategies to become adopted and used at the local level. We saw, however, that the commitment to the pursuit of sustainable development often becomes less influential as a policy driver at sub-national level in countries like Norway, Spain and Ireland, but that this situation appears even in the Dutch case.

   One explanation for this weakness lies in the fact that sustainable development strategies enter a crowded policy arena, where a substantial amount

of initiatives already exist, including at the sub-national level. These include various types of economic development, spatial and social policy frameworks, action plans and management guidelines. In many cases, national sustainable development strategies are in conflict with these established plans and frameworks.

Despite this, however, as Berger and Steurer noted, national strategies may potentially serve to secure commitment for sustainable development policy objectives and measures from the sub-national level, while simultaneously helping to build or strengthen the capacities of the sub-national level to undertake such action. National government support can help create momentum for action at the sub-national level (Lafferty and Eckerberg 1998). LA21 itself visualises the link between capacity building and sustainable development through creating the preconditions for implementing sustainable development policy locally. These preconditions include political leadership, resources and authority within local government and the presence of engaged social partners (ibid.). Many of the chapters pointed to the importance of LA21 in helping the local level meet these requirements. However, the *absence* of national strategies need not necessarily block sub-national engagement. The case of Catalonia in Spain provided an example where, despite the lack of central government commitment, LA21 remains strong, largely as a result of support from regional government. Similarly, in the German case, the weak commitment at the Federal level in Germany cleared the field for *Länder* level engagement, although certain conditions had to be met for this to prove successful. The presence of policy entrepreneurs, capacity to engage in lesson learning and policy transfer, and of funding, were pivotal factors. In those countries with weak sub-national governments, however, national support is required for the local level to become stronger (see for example, Chapters 3 and 4).

Promoting environmental policy integration

The search for better policy co-ordination in pursuit of sustainable development has led to intensive discussions in the literature on the need to develop provisions and measures for integrating environmental considerations into sectoral policies. As discussed in the Introduction, both horizontal and vertical policy integration are necessary prerequisites for the promotion of sustainable development, but EPI could also be viewed as a learning process, where both international and national drivers for change are relevant (Nilsson and Eckerberg 2007).

The importance of EPI is stressed in each contribution. Kern found that policy integration played a central role in the creation of sustainable development plans and strategies within Germany and is increasingly important at the *Länder* level. The horizontal dimension is most obvious in the development of climate action plans and strategies because they affect several policy arenas, such as energy, transport and agriculture. However, as Berger

and Steurer found, while efforts at achieving horizontal policy integration are relatively advanced, vertical integration is often either weak or non-existent. This indicated that sustainable development activities are not systematically synchronised with the targets and activities of higher political authorities. Similarly, the evidence presented by Baker and Eckerberg suggested that EPI is more likely to materialise at the local level of government than at the central level, where central government funding mechanisms can promote the integration of environmental, economic and social values particularly at the *project* level.

Evans *et al.* also found evidence of mainstreaming of sustainable development principles in several of their local case studies across Europe. This included the establishment of a 'horizontal' organisational structure aimed at encouraging cross-departmental working; the adoption of sustainable development principles for internal practices, such as eco-procurement, 'green' budgeting or purchasing; and training programmes for both officers and politicians. Similarly, the implementation of LA21 and the elaboration of local Strategic Plans in Catalonia, Spain contributed positively to the development of more extensive patterns of inter-sectoral collaboration and that such integration increased over time (Chapter 4).

However, not all cases show such strong commitment to EPI. In Ireland, for example, although some progress has been made in embedding sustainable development objectives within public policy, cross-sectoral integration remains weak (Chapter 6). The Structural Funds provide another example where it is hard to find a commitment to EPI, despite recent changes to Funds regulations in support of sustainable development (Chapter 1). Structural Funds, it will be remembered, also play a strong role in economic development in Ireland.

Evidence of environmental policy integration has been found in the research presented here, but only to a limited extent. It is hampered by several obstacles, including lack of political commitment and of capacity to act at the sub-national level of government. The factors that inhibit EPI thus correspond with the institutional and normative prerequisites for effective governance in pursuit of sustainable development.

3 Sustainable development in policy content

Contributors were also asked to investigate how sustainable development was understood in policy practice. We were particularly interested in exploring the connections between a social inclusion policy agenda, including in relation to the enhancement of social capital, and the pursuit of sustainable development. This investigation entailed evaluating whether policy was primarily aimed at ecological modernisation, or whether a wider sustainable development agenda, encompassing production and consumption patterns and levels, as well as equity issues, existed. Furthermore, contributors were asked to explore whether a long-term policy perspective was taken into

account in policy design and delivery and whether policy developed from, or linked to, LA21.

The role of LA21

According to Agenda 21, local government is 'the level of governance closest to the people' and it is therefore best placed to pursue the sustainability goal of 'thinking globally, acting locally' (Agenda 21, para 28, Koch and Grubb 1993). The research presented by Evans *et al.* substantiates this position. Local governments in Europe have been remarkably proactive in their pursuit of sustainable development, in many cases, in the face of national government apathy or even opposition. Similarly, Kern found German *Länder* to be the vanguard of sustainable development initiatives. Baker and Eckerberg also showed, in the Danish and Swedish case studies, that the success of central government funding programmes in pursuit of sustainable development was related to how closely they were linked to LA21 processes at the local level.

However, Hanf and Morata appear less optimistic about the capacity of LA21 to help local pursuit of sustainable development. Even though most Spanish local authorities claim formal commitment to LA21, the majority have neither set explicit targets nor allocated specific funding to this end. In addition, LA21 aims more at traditional environmental management than a broad-based sustainable development agenda. They also found a tendency among the municipalities to use 'soft' types of policy instruments, in particular education and information, rather than economic instruments, to promote the implementation of the LA21. This questions the sincerity of the municipalities' commitment, since real change is unlikely to happen unless facilitated by economic incentives. Similar findings were also presented for the Dutch case by Coenen.

Having a long-term vision

Only a few of the contributors investigated this aspect of sustainable development policy. Evans *et al.* research showed that, while there is recognition that a long-term approach is required, policy-making tends still to be linked to the political cycle. Methodologically, a long-term commitment is probably one of the most difficult issues to examine since it requires longitudinal studies with strong analytical devices in order to distinguish patterns of 'real' change from that of a rhetorical nature.

The three pillars of sustainable development

Connaughton *et al.* drew upon theoretical models to discuss how sustainable development is understood in the Irish case. Using the models of Baker and of O'Riordan, they argued that Ireland's efforts correspond to a 'weak' model

of sustainable development. While acceptance of the principle of sustainable development can be found at the declaratory level, the Irish case typifies efforts to promote ecological modernisation rather than promoting a significant shift in economic models and policy focus. Moreover, the Irish public has been slow to respond to the ideals of sustainable development, and within the context of the country's late economic development, environmental considerations have often been subordinate to agricultural and, more recently, industrial interests.

Baker and Eckerberg also revealed that the leader environmental states of Denmark, Sweden, Germany and the Netherlands were primarily concerned with reaching environmental, or ecological, targets rather than the social and economic pillars of sustainable development. Within that, ecological modernisation predominates the agenda, particularly in Sweden and Germany and, until recently, also in the Netherlands. Berger and Steurer confirmed that national sustainable development strategies tend to be prominently environmental strategies and that they have, as yet, failed to focus on quality of life and the need to develop economic models that operate within environmental limits.

Nevertheless, recent efforts in the Netherlands, including the Dutch GIDO initiative discussed by Baker and Eckerberg, and the current National Environmental Plan, as discussed by Coenen, are helpings to bring all three pillars of sustainable development more to the fore. These initiatives are also facilitating the development of participatory processes. The UK also proved an exception, where the heightened awareness of the social pillar of sustainable development gave clear focus on social inclusion and on the local level as a site for promoting sustainable development. However, this awareness was not matched by strong engagement with participatory practices of governance for sustainable development (Chapter 2). In contrast, within Norwegian rural development policy, sustainable development is understood as local economic development that creates jobs and other income opportunities for local people within the limits of biodiversity and other ecological values of the area. While the main objective of local actors is to promote business development in order to secure jobs and attract inward settlement, most of these actors accept that commercial activities must be subordinated to nature conservation. The dominant perception is that social, economic and environment interests are interdependent not conflicting aims of policy (Chapter 7). Here we see one of the key tenets of sustainable development come to the fore, namely that economic, ecological and social goals are compatible, mutually reinforcing aims of public policy.

Despite these positive efforts, overall the pattern of findings indicate that countries understand sustainable development to be primarily an environmental policy issue and that they promote ecological modernisation in place of sustainable development.

Part 3: The 'new governance' reporting protocol

In the Introduction, a distinction was made between 'old' and 'new' governance, with the primary aim of the book being to explore the new governance approach. The book took as its starting point the argument that new governance can be distinguished from old governance in that the latter places emphasis on multi-level engagement in policy-making, via a complex web of public/private networks and makes use of a range of policy instruments. Using this conceptual tool, the book set out to explore whether and to what extent new governance is used at the sub-national, regional and local levels to promote sustainable development in western European states. At the most abstract, we were keen to see whether this has resulted in a change in the long-standing balance between the state, economic actors and civil society (Stoker 1998: 21) in the pursuit of sustainable development.

However, in using new governance, we were keenly aware that the concept, and its associated term of 'multi-level governance', both are under-theorised and can lead to conclusions from empirical research that are excessively general. The term, while useful for synthesising general trends in government practices, does not encourage rigorous hypothesis-building and detailed analysis. To help to overcome these problems, the characteristics of new governance were incorporated into a New Governance Reporting Protocol, and contributors were asked to use this as a guide in their empirical investigations.

Several characteristics of new governance were listed in the Protocol. First, 'multi-level governance' was seen as characterised by a stronger collaboration between the different levels of government (European, national, regional and local) in policy-making. New governance process, in so far as they also involve 'network governance', was characterised as including the use of extended forms of participation. This promotes a policy-making style that gives more opportunities for the involvement of different kinds of non-state actors, such as companies or non-governmental organisation, as well as the engagement of civil society. Finally, new governance processes were taken to included the use of 'softer' policy instruments, associated in particular with 'new environmental policy instruments' (NEPIs), such as the use of market incentives (for example, eco-taxes and environmental agreements) and the provision of information about effects of certain choices (for example, eco-labelling).

Multi-level governance

The concept of multi-level governance has facilitated our exploration of governance for sustainable development at sub-national level within member states while taking account of the influence of governance processes at the EU level. While aware that international integration, including in relation to GATT and UNCED, adds to this complexity, we deliberately chose to

exclude this level of governance in the present volume as it has been well explored by Lafferty and Meadowcroft (2000).

The EU level

Berger and Steurer found that EU Structural Funds have helped to increase capacities at the regional level, especially in establishing institutional know-how and in implementing projects in the regions. This conforms to the more general role that the EU has played in supporting the development of regional governance (Keating and Loughlin 1997). However, research also revealed that the integration process can have a negative impact on the sub-national level. Kern pointed to the fact that *Länder* competences have been restricted rather than extended in the process of European integration, as this process has tended to strengthen the hand of Federal government. Connaughton *et al.* also confirm that compliance with EU environmental regulation not only ensures that central government continues to play a strong role, but that the need for regulatory compliance can distort new governance arrangements at the sub-national level. In addition, even if Structural Funds now include a commitment to sustainable development, the majority of the programmes and projects funded are still concerned with economic development and social cohesion.

Despite these tendencies, the Structural Fund nevertheless play an important role in multi-level governance processes in that they trigger the establishment of inter-regional and cross-border regional collaborations. While Berger and Steurer did not see a direct link between this and the strengthening of sub-national engagement with sustainable development, Evans *et al.* did see that multi-level networking in the context of Europeanisation played a role in supporting innovative approaches to sustainable development. Towns and cities that are consistently high in achievement in pursuit of sustainable development are those that have worked in European networks. Networks such as these can become conduits for the transfer of best practice at the horizontal level, revealing the important role that European networks play in policy transfer.

Although Norway is not a member of the EU, Hovik also found that through European networks, the Norwegians share experiences and knowledge with other European communities facing similar challenges. Kern discussed similar patterns of policy transfer, in particular as they relate to inter-organisational policy learning. This discussion pointed to the need to take account of new moves towards governing through policy transfer and benchmarking, particularly at the sub-national levels, as an integral part of the governance process. Hanf and Morata also saw policy transfer as an essential tool of new governance. The role of policy learning and transfer needs to be given more attention in the literature on new governance practices, especially given the increased reliance of the EU on the so-called 'open method of communication', which promotes horizontal policy transfer and learning as integration tools (cf. Nilsson and Eckerberg 2007).

However, within such process of policy transfer there can be a tension between, on the one hand, exploiting past learning to standardise around best practice and, on the other, maintaining adaptability and avoiding 'lock in' to outmoded routines. This problem was seen with the use of Award Partners in the UK, where public/private partnerships were in widespread use, particularly for the distribution of funding. However, the desire to build upon past success and established forms of best practices was shown to work against the adoption of innovate approaches and new initiatives, as discussed by Baker and Eckerberg.

Institutional capacity at sub-national level

There is increased emphasis in national sustainable development strategies on the inclusion of the sub-national, regional and local levels of government, described as 'vertical policy integration' in the promotion of sustainable development. Even in the Irish case, long recognised as one of the most centralised states in the EU, there is growing emphasis on the role of regional authorities in promoting partnership and in identifying sustainable development priorities for their regions, as discussed by Connaughton *et al.*

Nevertheless, as Berger and Steurer argued, the engagement of the sub-national level should not be taken for granted, in that stimulating such engagement presents several challenges. Central government, for example, faces the difficult task of securing commitment from, and enhancing the competence of, the sub-national levels, especially in relation to policy objectives and measures, without which *national* sustainable development trajectories could be blocked. Baker and Eckerberg pointed to a further role over and above building capacity in local authorities and their partners to implement nationally defined sustainable development strategies. Central government funding schemes also aim to empower the local level to act as an independent actor in promoting locally relevant strategies.

Several of the chapters in the book emphasised the issue of capacity enhancement. Capacity building instruments are widely used instruments of public policy and play a role in the enhancement of governance processes (Painter and Pierre 2005). They usually involve national or state government efforts to strengthen the capacity of state or local officials to manage programmes on their own. They can include provision of technical assistance through giving grants for skills training. Their advantage is that they help ensure that those given discretion over specific tasks have the appropriate skills and ability to carry these tasks through. They also increase accountability by developing the management skills that facilitate compliance with national government grant requirements (Radin 2003: 608).

In the research by Evans *et al.*, institutional capacity was found to be important because the process of mainstreaming a sustainable development ethos within institutional cultures is quite slow, typically extending far beyond a normal electoral term of office. Hanf and Morata also paid

particular attention to the role of institutions and found evidence of 'path dependency' in that sustainable development became interpreted through existing structures, procedures, and patterns of interactions. The need to be aware of the institutional framework in which policies are prepared, developed and implemented was also pointed out by Baker and Eckerberg, particularly in relation to the steering role of the central state in the Swedish study.

We are particularly pleased that these chapters were able to explore the role of political institutions in new governance processes, particularly as Rhodes' understanding of governance has been criticised for ignoring this aspect (Pierre and Peters 2000). Collectively, these chapters point to the need to combine discussion of governance processes with acknowledgement of the centrality of formal institutional structures and processes in framing the pursuit of sustainable development. As Smith has argued, institutions structure political situations and also shape political outcomes, as they influence not just actors' strategies but their goals and they mediate their relations of co-operation and conflict (Smith 2003). In other words, political institutions matter to the governance of sustainable development. Here the role of government in shaping governance processes is reaffirmed.

This argument has a direct bearing on current disagreements on the role of the nation state in the context of multi-level governance. On the one hand, Hooghe and Marks argue that 'formal authority has been dispersed from central states both up to the supranational institutions and down to the sub-national governments' (2001: 1). On the other hand, there is the argument, represented by Pierre and Peters (2000), that the nation state still retains important resources for guiding policy structures and processes. Our findings support the argument of Pierre and Peters that the 'steering capacity' of the nation state remains critical in order to establish a co-ordinated form of policy-making in the promotion of sustainable development. Central government still plays a key role through its formal exercise of power, the establishment of framework legislation, through sustainable development strategy formulation and funding mechanisms, and through its catalysing role in spurring the sub-national level to engage in the implementation of appropriate policies.

There are also issues of a more structural or constitutional nature that have to be taken into account when discussing the role of the sub-national level in the pursuit of sustainable development. The German case provides the most obvious example of the need to look at different constitutional distributions of power and authority. Evans *et al.* also reiterated that strong governance processes for, and achievements in relation to, sustainable development, are chiefly found among local governments that have a high level of fiscal, legal and political autonomy, Connaughton *et al.* provided another way of getting to the same point, the Irish case being illustrative of a highly centralised administrative system that continues to obstruct action at the sub-national level. Similar findings were reflected by Baker and Eckerberg,

who pointed out that the extent and nature of the external resources available to local government through central government funding regimes, and the constraints these place upon local governance, must not be ignored in discussion on new governance processes. The contribution of Hovik also brings our attention to the issues of power relations. Her exploration of the compromises that are required by the different interests involved in network governance pointed to the play of power and politics as governance processes are acted out.

Hence, our research supports the argument that local level engagement remains structured by the degree of autonomy granted by the national level to local governments and/or to the regional/provincial level (Lafferty and Eckerberg 1998). This draws our attention to the distinction between multi-level governance, which refers to steering and public management, and multi-level politics, that is, to the distribution of power across the different levels of government (Smith 2003). The multi-level policy-making process in the EU is not just a process that involves policy networks, but also negotiations in and between these all levels. In other words, the study of policy-making for sustainable development is not only a study of regional or local government and of combining this with a study of regional or local governance for sustainable development. Rather, it is the study of how these processes are shaped by the power relations between actors of public, private and associative status across all levels of member state governments (Smith 2003: 620) and upwards to the EU level.

Network governance

The governance perspective forces us to take account of the role and importance of policy networks, as discussed in the Introduction. New governance processes place emphasis on bargaining, compromise and networking in policy-making, facilitated by the development of inter-organisational networks that include both governmental and non-governmental actors. Rhodes' understanding of new governance in particular emphasises the role of network governance (Rhodes 2000; 1997).

All of the chapters found some evidence of enhanced co-operation between the private and public sectors in support of sustainable development. This co-operation can extend from the engagement of interest groups in policy formulation to the construction of public/private partnerships for programme delivery. Governance networks were particularly important in Hovik's exploration (Chapter 7). Such networks provide new opportunities for local politicians and private stakeholders to influence policy, representing new efforts to take shared responsibility for sustainable development in rural Norway. However, she drew our attention to the fact that governance will always be conducted under 'the shadow of hierarchy' (Scharpf 1997). This undermines Rhodes' claim that we are witnessing the emergence of governance without government (Rhodes 1996). In addition, Hovik pointed out

that the presence of networks does not in itself indicate the development of new governance patterns. The composition of the network, its role and the influence of government actors as partners are all important is ascertaining whether the use of networks indicate a development towards new governance. In many instances the activity of networks are subject to hierarchical steering by government, and government actors make use of their privileged position to promote their own interests within these networks.

This is in line with Stokers caution that we need to take account of the constraints, whether direct or indirect, that governments can impose on the role of networks and their activities (Stoker 2000). Baker and Eckerberg's research also supported these arguments, pointing out that capacity enhancement measures by central governance, particularly those that involve the provision of grants and subsidies, may strengthen the hand of central government in steering the engagement of networks in governance processes. Similarly, the Irish study indicated that hierarchical steering from central government remains an integral feature of policy processes that make use of such networks. Evans *et al.* also voiced concern that an exclusive focus on 'new governance', understood as policy networks, holds the danger of underplaying the essential roles that local governments play in innovating, supporting and nurturing sustainable development processes.

The case of waste management in Ireland illustrated the difficulties of relating these new methods and practices of participatory governance to the existing structures and processes of government. In the Irish case, the growing dependence on the private sector and proliferation of private sector companies may reduce the control that local authorities exercise over waste management. It may thus undermine their role in the promotion of sustainable development. Tensions also exist between partnership arrangements and traditional practices of representative democracy. This is in line with Rydin's (2006) concern that such networks require continuous reinforcement and transparency to overcome problems of fragmentation, integration and democracy (Rydin 2006: 213–215). Evans *et al.* pointed out that new governance arrangements can create ambiguity and uncertainty in the eyes of both policy-makers and the public about who is responsible and accountable for policy. Given that accountability and legitimacy are key tenets of democratic governance, maintaining a strong steering role for the state, at both the central and the local levels, becomes all the more important.

The Irish case also directed attention to the need to explore the underlying rationale for partnership arrangements between the public and private sectors. In practice, these arrangements often involve privatisation and contracting-out, actions which are driven by new public management principles and not necessarily by the pursuit of sustainable development. Indeed, Baker and Eckerberg highlighted the importance of the neo-liberal belief in the power of the market in driving new partnership arrangements, particularly in the UK. Moreover, Coenen stressed that many new governance practices are driven by concerns about public distrust in government and aim at

enhancing the legitimacy of policy-making processes while simultaneously improving their efficiency. Again, this shows that evidence of experimentation with new modes of governance is not necessarily stimulated by the principles of sustainable development alone. Rather, it highlights the difference between countries that give priority to the market as a mode of governance, and those that give a more significant role to the state or to networks (Gamble 2000: 121). The UK has a strong attachment to liberal economic models. This is often contrasted with Germany, Sweden and the Netherlands, where there is greater readiness to promote long-term economic development, whether through formal planning, corporatist arrangement or information networks, to promote consensus on national goals and to steer the economy by long-term subsidies and support (Gamble 2000: 121). Here there is also a greater willingness to invest in new capacity, including in relation to new technology and to human capital, as evident both by Baker and Eckerberg, Evans *et al.* and Coenen in their respective studies.

In short, these research findings suggest that while we may find new modes of participatory governance, their presence does not necessarily imply a causal connection with the commitment to promote sustainable development. The discourse of sustainable development has helped to open up a new political space within many European local governments, legitimised through the vocabulary contained in Agenda 21. But, this new way of working is not necessarily stimulated by, nor is it confined to, the sphere of sustainable development policy-making.

Civil society participation

A key characteristic of new governance is that it affords increased opportunities for citizens, or the public, to have a more direct input in the making of public policy. This participation aims at reducing the distance, both physical and intellectual, between the bureaucracy and civil society. This is seen as evidence of a strong felt need to strengthen the legitimacy of public sector institutions (Peters and Pierre 2003: 3). Current Dutch policy of political renewal, as discussed by Coenen, provides an excellent example of this trend.

Kern paid particular attention to the connection between the promotion of sustainable development and participation. In some German *Länder* extensive consultation processes were started which aimed at the development of a sustainable development strategy for the *Land* (Landes-Agenda 21). In these practices, evidence of governing through participation and representation as well as governing through partnerships and voluntary agreements were found.

In their discussions on participation, several of the chapters in this book addressed not just the more traditional focus on local government capacity enhancement but also capacity building within civil society. As a shift in the relationship between state and civil society, new governance is also about

'active' citizenship. It is therefore linked to issues of social capital, understood as the social underpinning necessary to achieve effective economic and political performance (Putnam 1993; 2001). Evans *et al.* in particular drew upon the work of Putnam to consider the interplay between social and institutional capital and to discuss the complex ways in which sectors of civil society build and maintain capacity (economic, social and mutual support) for action. They were also concerned to address the role played by government institutions in the creation and function of social capital. However, Evans *et al.* revealed that, in the majority of cases, the capacities of civil society to successfully participate in local policy-making processes for sustainable development were limited, both in terms of the capacities of organisations and in terms of the options available to them for co-operative policy-making. Baker and Eckerberg found a similar limited participation of civil society in the majority of their studies, however, with the two smallest Dutch and Danish initiatives providing interesting exemptions.

The findings of Evans *et al.* suggested that, effective, or what they refer to as 'dynamic', governing for sustainable development is most likely to occur when governments work closely with civil society agents in a process of governance.

This reinforced the idea of 'bracing' social capital (Rydin and Holman 2004), where a strong relationship is formed between a limited group of actors with an interest in local sustainable development issues. Similarly, in their study of the UK lottery funds, Baker and Eckerberg revealed that local authorities tend to be over reliant upon a limited number of groups to participate in funding schemes, although the extent to which these formed an example of 'bracing' social capital that is orientated towards the pursuit of sustainable development remained open to question.

Despite the key role of civil society, Connaughton *et al.* revealed that it is not easy to establish new relationships between community and the state. In Ireland, NGOs tend to remain outsiders, especially those operating at the local level. Organisations that present radical views, for example, proposing 'zero waste' strategies, remain on the fringes, with fewer opportunities to influence the agenda or policy outcomes. The Norwegian case also exposed similar problems. Here participation practices, particularly the inclusion of private sector actors, tended to be driven by emphasis on problem-solving capacity rather than on principles of stakeholder participation. Additionally, local councils tend to put the interests of their local constituency above the will to deliberate and negotiate agreements with external actors in a network. Hovik also noted that strong links to representative democracy at local and regional levels seems to be the preferred alternative to extensive participation.

These findings again point to the difficulties of combining the logic of representative democratic government and the logic of network governance. As noted by Connaughton *et al.*, while new modes of governance are starting to co-exist with traditional practices, they remain difficult to combine. Yet,

as Evans *et al.* pointed out, there is ample evidence to suggest that those cases of local governments where there are high levels of achievement are also those that have high social capacity and where a strong relationship between local government and civil society organisations exists.

New policy instruments

There was evidence of the use of new policy instruments for the promotion of sustainable development in all of the studied cases (Chapters 1–8). As pointed out by Evans *et al.*, increased use of new environmental policy instruments form part of a broader context of promotion and integration of sustainable development principles within local authorities. However, their use predates the commitment to sustainable development, stemming more from concerns about the deficiencies of the traditional 'command and control', regulatory approaches (see, in particular, Chapters 5 and 8). Kern also pointed to the influence of the changing concepts on global governance, which focuses on various forms of governance beyond the traditional forms of inter-governmental co-operation, such as global policy networks or private–public partnerships.

Baker and Eckerberg found that it is difficult to maintain a sharp distinction between new and old policy tools in that so-called 'old' tools may be used to promote 'new' governance approaches. Despite this, however, they were aware that the way in which some tools are used can present difficulties for new governance processes. The use of competitive procedures for the allocation of funds can be disruptive to new governance processes. They can lead to short-term, self-interested behaviour among partnerships, which can in turn, threaten to destroy the basis of future partnerships (Stoker 2000: 101). Competitive processes can also have a disabling impact on losers, as they may find it difficult to regain a sense of commitment (Stoker 2000: 102). This was confirmed in the research by Baker and Eckerberg, who also noted that funding allocation tends to favour quantifiable measures over more vague qualitative measures built into the purpose of partnership.

Research further revealed that the use of new instruments can have unintended consequences. In the Irish case, the use of public/private partnerships for the management of waste has diminished the control of Local Authorities over the strategic management of waste. In addition, privatisation, which often brings increased charges, can lead to an increase in illegal dumping, while commercialisation turns waste into a profitable commodity, a process that does little to encourage waste reduction. The use of new environmental policy instruments may not, in fact, always be good for the promotion of sustainable development, as the case of developing public/private waste partnerships in Ireland shows.

Concluding comments

The new governance approach has been particularly useful in the research undertaken for this book. It has ensured that our focus is not solely on institutional actors but rather on the complex relationships, networks and processes by which sustainable development policy is framed and implemented. This challenges conventional assumptions that focus on government as if it were a 'stand alone' institution divorced from wider societal forces (Stoker 1998: 19). The value of the new governance perspective is that it provides a framework for understanding changing processes of governing. The adoption of new governance practices may be particularly useful in helping to facilitate the implementation of a normative political programme such as that embedded in the pursuit of sustainable development.

Our research also pointed to the limitations of having new governance as an overarching frame. That is, that we have to understand new governance processes in a wider political context. Here we need to acknowledge that different institutions, policies and capacities, that is, the traditional governing arrangements embedded in different national systems, also structure the pursuit of sustainable development. In these arrangements, government engages in a process of steering and governing of societal change: in other words, governments govern. Despite the fact that 'new' governance may play a critical role, the chapters continually reminded us of the need to take account of the role of traditional governing activity in the promotion of sustainable development. National legislation and policy priorities are key drivers for sustainable development, as are central government steering mechanisms and instruments.

The findings of the book confirm the argument that, rather than a shrinking role of government, we are witnessing a shifting role as private and third sector engagement and interactions in policy-making increases (Kooiman 2000: 139; 1993). As such, new governance is best seen as involving processes that include actors and institutions that are drawn from both *within* government but also *beyond* government. Problems remain, however, in combining these in the context of traditional democratic practices in member states. While this policy style makes room for combining responsibility at the local level with local capacity enhancement and the development of horizontal learning networks, there are dangers with these processes. They can mask responsibility, making it difficult for citizens to understand and influence the actions of their governments and may lack democratic legitimacy.

We also found no causal connection between the pursuit of sustainable development and the emergence of new governance practices. There is evidence of new governance practices, but they may not necessarily be connected with the commitment to promote sustainable development. There are signs, however, of increased involvement of local government. This was *already* facilitated by Agenda 21. However, the engagement of civil society remains

limited and participation by groups that propose a radical agenda of sustainable development are restricted.

In conclusion, we argue that the research presented in this book clearly demonstrates that both governance and government remain intertwined but distinct elements of the process of governing. The two elements together can create a process which can promote and sustain real progress. The combination requires the active engagement of local civil society combined with commitment, leadership and steering by local and national governments and international authorities. This can, in turn, generate the local resources, support and energy needed to deliver outcomes. More generally, we see no reason to argue that the role of such authorities should, or indeed needs to, decline. Major roles for the state remain and continue to be evident, including the need to promote political objectives and pursue the collective interest (Pierre 2000: 4). One of the main roles of the state is to intervene in the face of market failure. The failure of the market to protect the global environmental commons still remains a solid ground for government intervention. Market failure is particularly evident as society pursues the promotion of sustainable futures, because markets work on short-term horizons, deal with profits and promote individual advancement. The pursuit of sustainable development requires transition to a society whose policy process guards the future, promotes equity and pursues the common good. In the face of such transformative tasks, new governance practices have an increasingly important role to play, but they must remain only one element of the process of governing in pursuit of sustainable development.

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