

8 Conclusion

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8.1 INTRODUCTION

The central objective of this book was to advance our theoretical and empirical understanding of causes and conditions of cross-national policy convergence. In theoretical terms, we were especially interested in the extent to which growing economic and institutional interlinkages between nation states – developments that are usually associated with catchwords such as globalisation and Europeanisation – constitute major driving forces of cross-national policy convergence. In this regard, we studied the impact of three central convergence mechanisms, namely, international harmonisation, regulatory competition and transnational communication.

In empirical terms, we analysed the relevance of these factors for the area of environmental policy. More specifically, we were especially interested in two research questions. On the one hand, we studied the extent to which the policies of the countries under study actually became similar over time. On the other hand, we focused on the direction of convergence, i.e., the question whether potential similarity increases coincide with often-discussed races to the top or bottom of national environmental policies. To answer these questions, we analysed the development of forty different environmental policies of twenty-four countries over a period of thirty years (1970 until 2000).

In addressing these theoretical and empirical questions, our study not only indicates several new insights and innovations, but also points to new and interesting questions for future research. Both aspects, innovations and avenues for future research, will be presented in more detail in the following sections.

8.2 EMPIRICAL AND THEORETICAL FINDINGS

With regard to the first aspect – the new insights gained from our research – several innovations are worth mentioning. First, there is strong evidence for the fact that during the period of observation, the environmental policies of the countries under study indeed converged very strongly. Looking at changes in the policy similarity between the countries (sigma-convergence), policy similarity for the average country pair on all forty policies under investigation rose from 3.5 per cent in 1970 to 56.1 per cent in 2000.

Second, notwithstanding this overall pattern our results show that the degree of convergence varies with the type and dimension of the investigated policies. With regard to policy types, sigma-convergence is generally more pronounced for obligatory policies and trade-related policies than it is the case for non-obligatory or non-trade-related items. The degree of convergence also varies when different policy dimensions (policy presence, instruments, setting levels) are considered. More specifically, the convergence degree decreases with the level of specification of the different dimensions. It is least pronounced for setting levels and highest for the dimension of policy presence, with convergence on instruments remaining somewhere in between.

Third, our empirical findings provide no evidence for often-feared races to the bottom. Rather we observe a constant strengthening of environmental policies over time. This picture is confirmed not only by a merely descriptive analysis of aggregate data, but also when applying more sophisticated measurement approaches assessing the gaps between individual country policies and 'strictest available policy options' for each policy (delta-convergence). Our data reveal that average gaps strongly decreased over time, implying that policies converged in an 'upward' direction.

Fourth, both sigma- and delta-convergence are most pronounced towards the end of the observation period; i.e., the 1990s, indicating that policy similarity and tendencies towards stricter regulations not only increase, but also accelerate over time.

Fifth, turning to the theoretical findings of our study, we find that the above-mentioned developments of environmental policy convergence can basically be attributed to the effects of two causal mechanisms: international harmonisation and transnational communication. While the relevance of the first factor might hardly be considered a big surprise, the explanatory power of transnational communication is highly striking. Obviously, the mere fact that countries exchange information on each other's policy choices and discuss policy problems and potential solutions at the level of international institutions is equally important in driving cross-national policy convergence as the adoption of legally binding policy arrangements at the level of the EU or international regimes and institutions.

Sixth, similarly surprising as the high explanatory relevance of transnational communication is the negligible explanatory power of regulatory competition. We neither find evidence for the often-expected races to the bottom, nor is there an effect of regulatory competition that goes beyond the effects of harmonisation or communication. This statement holds even if we solely consider the sub-group of trade-related policies, although the latter should be particularly exposed to competitive pressures.

Finally, it should be emphasised that our analysis was based on two important methodological innovations that – compared to the state of the art – allowed for a more sophisticated measurement of policy convergence. On the one hand, the pair approach, which was used for measuring sigma-convergence, helped to overcome many problems associated with more traditional measurements relying on the variation coefficient. On the other hand, the gap approach – applied to assess delta-convergence – can be considered a highly valuable tool to account for an often-neglected dimension of convergence, namely the extent to which countries converge to an exemplary model or benchmark (see Heichel, Pape and Sommerer 2005).

8.3 IMPLICATIONS FOR FUTURE RESEARCH

From our research findings, important issues and implications emerge, that are of both scientific and political relevance. The first and most important insight in this respect is that globalisation drives environmental protection levels. In contrast to often-feared scenarios of environmental races to the bottom and in contrast to the anti-globalisation movement's rhetoric, the results show that growing similarity of environmental policies coincides with a constant strengthening of environmental standards over time. This development is essentially the result of growing international institutional interdependency between nation states. In other words, international institutions matter. And they do so not only as means of international harmonisation, but also as platforms for transnational communication.

Second, and related to this, the positive effect of globalisation and Europeanisation on environmental protection is to a considerable extent also triggered by the fact that nation states increasingly communicate with each other and exchange their perceptions and regulatory solutions with regard to environmental problems. Communication matters in particular by facilitating processes of cross-national policy-learning. Governments watch each other very closely, either because they want to avoid the impression of falling behind the others or because they seek to draw lessons from successful policies developed elsewhere.

Third, there is evidence that environmental leaders are able to pull along the laggards. This holds true, on the one hand, with regard to environmental standard-setting through international harmonisation. The establishment of legally binding agreements at the international level typically implies that low-regulating countries adjust their standards to the level of the environmental forerunner countries. In other words, the leaders are generally able to set the pace in international environmental harmonisation. On the other hand, this effect is also relevant in the absence of legally binding agreements. Mere communication and information exchange can

induce laggard countries to raise their standards, as they seek to avoid the blame of being perceived as 'pollution havens'.

Fourth, our findings indicate the need for further research on the reasons for the rather weak effect of regulatory competition on cross-national policy convergence. In light of the parsimonious theory and its clear predictions, especially with regard to environmental process standards, the negligible explanatory power of regulatory competition is surprising. A factor that might help to resolve this puzzle refers to the fact that countries anticipate potential effects of regulatory competition by establishing a level playing field through international harmonisation. To avoid races to the bottom and inherent problems of collective action, countries engage in international cooperation. Viewed from this perspective, regulatory competition could be interpreted as driving international cooperation towards environmental protection. This hypothesis, however, can hardly be tested on the basis of our data, but needs further research, inquiry and testing.

Fifth, the high relevance of transnational communication indicates a further issue that deserves particular attention in future research. In this regard, the focus should be on a more detailed analysis of the concrete processes through which transnational communication unfolds its convergence effects. Our research design only allows for a profound statement on the relevance of transnational communication as such, rather than an in-depth analysis of the different communication mechanisms we have identified in the theoretical part of this book. Accordingly, future research should in particular investigate the extent to which communication effects are based on different and more or less demanding forms of learning. For instance, do countries adjust their policies primarily in light of a high number of other countries that have already adopted a similar policy? Do they take policy models or countries as reference points that they consider to be particularly successful? Or do they merely respond to benchmarking activities and policy discussions at the level of international institutions? Analysing these patterns and their

causes would strongly enhance our understanding of the convergence effects of transnational communication.

Sixth, more detailed analysis of the factors enhancing or impeding cross-national policy convergence at the domestic level is desirable. In this study we tested a number of domestic factors as control variables. However, as this was not our main research interest, we did no in-depth analysis. In particular, we did not account for factors which might explain variation in the degree and direction of convergence over countries, such as the number of domestic veto players, the party in governance, or administrative fit or misfit with international regulation or policy models from abroad.

Finally, it is important for future research to watch the implementation of environmental standards and agreements. While laggards in the context of growing economic and institutional interdependencies have a strong interest in enhancing their international environmental reputation by adopting stricter environmental standards, they have at the same time an incentive to cheat with regard to the implementation of these standards. This is mainly due to reasons of economic competitiveness. Hence: although regulatory competition and a race to the bottom do not exist in terms of environmental protection levels, they may exist in terms of actual implementation of standards. Therefore it is advisable to combine future policy convergence studies with policy implementation studies.