MANAGING
ENVIRONMENTAL POLICY INTEGRATION
AT THE NATIONAL LEVEL

From event to issue coordination[1]

by

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FIRST DRAFT

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[1] This paper is part of larger study into the instruments and administrative capacities for managing integration (Schout and Unfried, 2002, Managing integration, forthcoming). The larger study compares capacities for environmental policy integration in the Commission and in the Dutch and German administrations. It builds on an earlier study commissioned by the Dutch environment ministry (Schout and Metcalfe. 1999).

1 Introduction

'Integration' as administrative challenge

This paper presents an analysis of the organisational capacities needed for environmental policy integrating (EPI). 'Integration' has become an important EU policy during the 1990s and is · intended to remain so in the foreseeable future. A major step was the inclusion of the new Article 6 in the Treaty (achieved during the IGC Amsterdam in 1997) which gave integration a prominent place in EU policy and which underlined the political commitment.

However, a strong political commitment does not necessarily lead to impressive progress in this field. In fact, one leitmotif in the history of the EU has been the focus on policy, rather than on management.[2] Side-stepping administrative implications is quite likely to lead to delays in implementation and to frustrations about not reaching objectives. A second leitmotif has been a reliance in the EU on incremental administrative adaptations. Incremental changes may, however, be ineffective when new directions have been chosen. Of course, the administrative side of EPI has not been completely ignored but the organisational implications and exigencies have not received systematic attention. Even though mention has been made of the 'measures' needed for integration – e.g. the Commission frequently refers to measures to look at integration as early as possible – it has never been specified what these measures are, under what conditions they will work, what precisely the problems are and what additional capacities are required. As a result, for example, the mechanisms in the Commission for managing integration have proved to be unsuccessful so far.[3] At this point in time, the Cardiff process has reached its final phase with the adoption of 'integration strategies' to be implemented by other Councils. The practical effects of this remains to be seen. It is highly likely that, to have a more lasting effect, integration needs to be supported with administrative capacities at EU and at national levels.

In this paper we examine the new capacities that have been created in the Netherlands and the possibly remaining administrative gaps.

Relevance of the study

Practical and theoretical relevance

The relevance of this study is both practical and theoretical. The practical importance is evident since national governments as well as the Commission are currently contemplating whether and what kind of integration capacities are needed. Strong assumptions are made about how integration should be managed. The assumption made in the Commission, at interministerial level as well as within ministries is that the parties involved have to assume their responsibility in this field. Within the Commission, DGs are expected to "own" integration ambitions and include it voluntarily into their policies. DG ENV does not see it as its task – nor does it have the resources – to "police" policy processes in other DGs. The same applies in most member state. Integration

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[2] The lack of attention for management issues can be illustrated by quoting the famous Cecchini report which remarked about the '1992' project that: "For all the complexities, the essential mechanism is simple. The starting point of the whole process of economic gain is the removal of non-tariff barriers" (Cecchini, 1988, p. xviii). As it turned out, implementation was not simple at all and demanded major organisational adaptations and changes at EU and national levels.

[3] Communication from the Commission, *Integration of the environment into the Commission's decision-making – Implementing Article 6 of the Treaty in the Commission*, draft, February 2001.

tasks are "decentralised" to ministries without a special responsibilities for the environment ministry. Also within the Dutch environment ministry are integration tasks decentralised to the individual directorates. Given the increasing involvement of sectoral departments, some even have suggested to abolish environmental ministries or DG ENV in the Commission. However, a more fruitful discussion might be to contemplate what organisational roles are necessary for EPI and what kind of organisational structures are demanded.

From a theoretical point of view, integration presents a case study of the management challenges of *EU governance*. The governance debate has sprung to life in the 1990s as the result of the recognition that the public management system in the EU demands cooperation between different levels of administration. What this means is however unclear. Often the governance debate results in the recognition that EU policy making is based on voluntary cooperation in networks and that networks are 'self-organising' (e.g. Rhodes, 1996; Peterson and Bomberg, 1999*). This study adds depth to the governance debate by analysing the administrative capacities that are needed for EPI at national and at EU level.[4] It is quite likely that governing integration requires careful attention for network management roles and organisational design. Self- · organisation may well prove to be oversimplification.

The theme of organisational design is closely related to the essential debate in public management and political science literature on whether complex policy processes can be · managed or whether it is impossible to manage or structure this complexity (see section 3). Currently, there is a move away from viewing organisational structures as relevant and towards understanding organisations – as well as the EU - in terms of bureaucratic politics.[5] The trend to 'decentralise' environmental responsibilities to individual DGs in the Commission, to sectoral Councils, to ministries and – within ministries – to directorates can also be viewed in this light. Rather than thinking about designing administrative capacities, responsibilities are distributed and it is subsequently hoped that coordination will take place through competition for influence ('self- · organising'). Integration offers a suitable case study for examining whether bureaucratic politics is the appropriate model or whether organisational preconditions must be fulfilled.

The relevance of an organisational study vis-à-vis other EU 'integration' trajectories[6]

There are currently various trajectories for getting grip on EPI. The most important of these is the 'Cardiff process'. This can be regarded as 'integration via the hierarchy'. Integration has been a regular topic at Summits since the meeting in Cardiff under the British Presidency (1998). The Cardiff process is now culminating in the adoption of strategies and objectives for the nine most relevant Councils at Gothenburg (June 2000). The implementation of these strategies will be monitored on the basis of indicators, benchmark reports and state of environment reports from the European Environment Agency in Copenhagen. The objective of this process is to make integration obligatory and to have monitoring mechanisms based on 'name-shame-fame'. This is in essence a process of making other Councils responsible.[7]

The Cardiff process does not reduce the need for examining coordination capacities at the national level. There are quite some doubts about whether the Cardiff process will actually succeed in stronger integration because of the fragmentation in which the Commission and in the Council and because of the different values in DGs and Councils.[8] Formulating ambitious

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[4] To complement the study on national capacities, the total project of which this is a part also examines integration capacities in the Commission, EP and Council Secretariat.

[5] Peters, 1992, and others ** - see the review in Schout and Vanhoonacker, 2002 forthcoming.

[6] This study complements other studies which focus essentially on integration processes at the national level (see e.g. **).

[7] The sustainable development process has the same objective.

[8] See the Sustainable Development report from the Commission, *Consultation paper for the preparation of a European Union strategy for sustainable development*, April 2001.

strategies and objectives at high political levels does not ensure that these objectives will also be – quickly - implemented. EPI is a complex challenge as it works through multiple actors in the Commission and Council and because it involves all phases of EU policy making. Member states may have to play an active role in the implementation of integration at EU level. First of all, sectoral ministries may need to include EPI considerations in their earliest contacts with Commission DGs. This will put pressure on DGs to incorporate environmental dimensions in the drafting stages ('bottom-up integration'). Cooperation between sectoral and environment ministries may be necessary for this. Secondly, officials in working parties may need to keep close contact over the extent to which the environment ambitions remain on the table.

Focus: Intra- and interministerial coordination capacities

During the study, it became increasingly clear that intraministerial capacities can not be seen in isolation. A discussion is needed of the ways in which capacities of one ministry are linked to – and dependent on - the way in which its interministerial environment functions. Any ministry is heavily influenced by the way in which interministerial EU policy coordination and capacities are organised.[9] The reasons for this include:

-   As underlined in institutional theories, the functioning of organisations is influenced by the wider context in which they operate (isomorphology or similarity).[10] The relevance of this concept became apparent in this study. Interministerial policy coordination in the Netherlands focuses on the end phases in the EU policy process – i.e. instructions for COREPER and Council meetings. This forces ministries to also concentrate their EU coordination capacities on these phases. The interministerial mechanisms determine the rules concerning what has to be done when, where to report and whom to inform when, etc. This also implies that adapting intraministerial relations will be most effective if done simultaneously with adapting interministerial relations.

-   The interministerial coordination mechanisms determine the ways in which, and the ease with which, other ministries can be influenced. For example, early involvement is essential but whether this is actually possible depends on interministerial coordination mechanisms (as will be discussed below, the Dutch Ministry for Foreign Affairs – MFA - is not in the position to support early coordination with effective problem solving mechanisms).[11]

-   The environment ministry has to decide how it wants to operate in the interministerial context and whether it wants to attempt to change the available interministerial capacities. This means that the ministry has, in addition to a (policy) role in defending integration, also a managerial role because it has to help in the creation the appropriate interministerial organisational architecture. (As we will see below, this is quite a challenge for the ministry.)

Therefore, this paper connects the capacities for EPI at intra- and inter-ministerial levels.

Giving this interlinkage between inter- and intra-ministerial coordination, we should not expect quick adaptation processes. Internal inertia's and external obligations are likely to slowdown adjustments.

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[9] An earlier study already concluded that intraministerial EU policy coordination is strongly influenced by the way in which interministerial policy coordination is organised (Schout, 1999).

[10] According to institutional theories, organizations, especially those in the public sector, are constrained in the extent to which they can adapt from within. Design and strategies of organizations are determined – according to this school - not so much by rational processes as by the institutional framework in which they operate (see for example DiMaggio and Powell, 1983; Zucker, ed., 1988; Scott, 1995).

[11] We focus here on intra- and interministerial coordination capacities. In fact, also the role of national parliaments should be addressed here as they also have an influence on whether and when EU dossiers are examined.

A bird's eye view of the Dutch environment ministry

The ministry responsible for environment policy is also responsible for housing and spatial planning but this study is limited to the part dealing with environment.[12] The DG for environment consists of 7 directorates. Each directorate is responsible for EU policies in its own areas. To ensure that EU dimensions are integrated in the work each unit has appointed officials with special responsibilities for EU policies, negotiations in working parties, and monitoring relevant developments in other Councils. However, the extent to which these officials actually have the time and the seniority to do this varies between directorates.

In addition, the ministry has a European affairs unit that coordinates all relations with the environment Council (in close cooperation with the relevant sector experts) and represents the ministry in the interministerial policy coordination fora.[13]

In terms of organisational configurations, the brief description of the environment ministry shows a typical divisionalised organisation with a decentralised (fragmented) responsibility for different sectors of – national and EU - environment policy. The strength of a divisionalised organisation is the focus on specific themes. However, coordination of mutual interests between the divisions (directorates in the case of this ministry) is problematic. One of the central problems in this ministry is the focus directorates have on their fields of work at the national level. The EU has remained a shared responsibility with the European affairs unit. The EU affairs officials still point sectoral experts to relevant developments at EU level.

Coordination between the national/sector experts and the EU specialists is not always easy due their different values. The sector experts in general tend to emphasise the importance of ambitious targets in their own fields. They are less concerned with more abstract principles of integration or trying to steer the outcome of negotiations in other policy areas or Councils. The EU affairs unit is too small to actively monitor developments in all Councils – even though it is thought to be of great importance - and already has its own coordinating tasks to deal with. As a result, the EU affairs experts would like to see a stronger involvement of the sector experts.

Hypotheses

Given the importance and political commitment to integration we expect that additional coordination capacities will be needed at intra- and interministerial level. The assumption is based

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[12] Technically, there is no environment ministry, but we will nevertheless use this expression in order to limit details on the organigramme as much as possible.

[13] Relevant horizontal directorates are:

- International Environmental Affairs. This directorate includes units for global relations (WTO, UN, etc.) as well as a unit for EU affairs. The EU affairs unit consists of 5 people. It has only been marginally enlarged since the adoption of Article 6 (from 4.5 people in 1999).
- Legal Affairs. The task of this unit includes monitoring whether EU rules are respected and it supports officials with legal questions – e.g. when the Commission sends a new proposal to the Council and EP. With the increasing recognition of the binding obligations of EU legislation, the legal directorate was upgraded from * officials to * EU legal experts.

Sector directorates for environment policy include – in abridged form:

- Soil, Water and Rural Areas. This directorate deals, among others, with agriculture and water quality.
- Climate Change and Industry. Topics falling within this directorate are energy, consumer products and industry.
- Waste and Radiation. Waste management and nuclear safety are key issues in for this part of the ministry.
- Traffic.

on the famous work of Chandler (1962) that structures follow strategy and on the central argument in contingency theory that major changes in the surroundings will be reflected in the structure of the organisation. However, given the inherent inertia in organisations, we can not be too optimistic about what has been achieved since integration went into force. Further steps will still be required.

The second hypothesis is connected to the kind of structural change that is mostly likely to develop. Integration is a typical horizontal issue and requires examining new developments across the spectrum of EU policies. For this purpose sector directorates and the EU affairs unit have to work together in examining Commission and Council agendas to identify the major 'integration' policies. This seems to conflict with the traditional D.O. structure of this ministry. We therefore expect an elaboration of horizontal coordination mechanisms at intraministerial levels (or, in other words, a reinforcement of the ministry as an 'horizontal organisation'). In addition, this will require new tasks of the European affairs unit. Similarly, more horizontal coordination capacities will also be required at interministerial level to facilitate cooperation between ministries. As already indicated, these arguments based on mainstream organisational theories contradict the dominant perspective of officials in national ministries or in Commission.

Thirdly, a more systematic insights into the organisational challenges of EPI may speed-up administrative adaptations and prevent unnecessary trail-and-error processes.

Background of the study

This study has been carried out in two phases. The first part of the study was carried out in 1999.[14] The Ministry had been actively involved in the adoption of Article 6 during the Dutch Presidency in 1997. This had created a feeling of responsibility: 'we pushed for integration, now we also that we have the capacities to put it into practice'. The 1999 report concluded weaknesses at intra- and interministerial relations. However, as indicated in the report, before efforts would be undertaken to reinforce interministerial coordination, the ministry should first upgrade its internal capacities for integration. Specific measures were taken to upgrade the ministry's EPI capacities. The update in 2001 studied that actual mechanisms that have been created and their effects.

Outline

Before coordination capacities are discussed, we should first specify what the standards that are imposed by EPI. These challenges are discussed in Section 2. But do these challenges warrant an organisational study? The answer depends on whether one assumes that organisational behaviour depends on organisational structures or whether other elements are important such as personalities and bureaucratic politics. The relevance of structures is the theme of Section 3 - the theoretical heart of the paper. It argues that political and structural views on coordination are both needed to understand the behaviour of organisations. This leads to a model for analysing coordination mechanisms (summarised in Table 1). This model draws heavily on the work of among others Mintzberg (1979, 1989) and Lawrence and Lorsch (1967). The fourth Section describes interministerial policy coordination in the Netherlands and how the environment ministry has been equipped to operate in the interministerial structures. Subsequently, the described mechanisms are analysed in Section five using the model for assessing coordination capacities for integration. The conclusions in Section 6 complete this paper.

2   Integration challenges and requirements

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[14] Schout and Metcalfe (1999).

'Integration' has no precise meaning. In the interviews it appeared that some interpret it as 'policy decisions may not disproportially harm the environment' and that 'an effort has to be made to show that environmental effects have been considered during the preparations of policy'. Interviewees in EU and national administrations also interpreted it as 'now the sector experts, instead of the environmental experts, have to think of environmental objectives'. In this interpretation, the environmental ministries and DG ENV in the Commission are now relieved of their integration tasks and no longer have to fight for influence. However, others had more ambitious interpretations and assumed that with EPI the precautionary now also rules in other policy areas.

In this study, we will interpret it as a bureaucratic politics principle. EPI depends on a struggle for influence. There are no guaranteed standards or legal fallback positions. From an organisational point of view, it is wishful thinking that sectoral ministries will incorporate the same objectives as environmental aspects. Sectoral ministries will have different objectives than environment experts due to different tasks, training and networks.

Fighting for influence is of course very demanding. Environment officials have to work through there colleagues - who are involved in the various phases of drafting and negotiating - in order to try to influence new Commission proposals and negotiations in other Councils. This indirect influence on the 'greenness' of policies is no doubt highly labour intensive. Sector experts in other ministries will already have a lot to defend and have to take a range of pressures and expectations into account. They will not always be pleased to also have to strive for environmental nuances. To succeed in their own negotiations, they will have to be selective in what they may possibly achieve in the negotiations. Trying to keep environment issues on the table when negotiations focus on some key issues – such as distribution of funds for transeuropean networks – can be highly complicating. Moreover, it is never nice to be seen too much as a 'demander' and sectoral experts therefore have to be selective. Environment objectives can easily be regarded as one topic too many. This is not necessarily a sign of unwillingness but underlines the practical difficulties that can be encountered.

Whether integration needs more attention or not is not for us to judge but is a political objective and has been reconfirmed on several occasions. On various occasions Heads of State, the College of Commissioners and ministers gathered in various Councils have underlined the need to reinforce integration.[15] This study subsequently examines not whether this objective is justified but whether and how influence can be mustered and what kind of organisational structures this demands.

The challenges of integration include:

- Influencing Commission drafts in early phases so that the rest of the negotiations is on proposals with ambitious environmental objectives. For this purpose, officials from the environment ministry have to see to it that experts from other ministries incorporate integration objectives during the negotiations in each of the phases of the policy process.
- Setting of priorities. There are too many topics on the various agendas of DGs and Councils. Priority setting also has to be done in close cooperation with the sectoral ministries.
- For this purpose it is necessary to have regular overview of new topics on the agendas and to monitor the progression of proposals through the decision making phases. This kind of monitoring and agenda setting tasks can be typically expected from EU affairs units in ministries.

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[15] For a review of statements of political commitment, see Communication from the Commission, *Integration of the environment into the Commission's decision-making – Implementing Article 6 of the Treaty in the Commission*, draft, February 2001.

- Freeing resources to actively monitor policy processes. A connected problem is that ministers usually prefer not to interfere in the work of others. Ministers prefer to score in their own fields and officials are mainly evaluated on achievements in the field of environment policy rather than on integration dossiers.
- Continuous exchange of information within and between.
- Finding agreement between actors with - occasionally highly - different objectives and priorities.

The problems which this particular ministry has been facing have included:
- Lack of information exchanging between ministries.
- Insufficient information handling capacities and information overload in the environment ministry.
- High coordination costs. Getting information and ensuring that feedback is taken into account is very labour intensive.
- Uneven way in whether and how EPI priorities have been determined in the ministry. Some directorates have picked up some integration issues, others have been less enthusiastic.
- Difficulties in settling problems between ministries. This was caused partly due to unwillingness of some ministries to coordinate and partly because of underdeveloped roles of the Foreign Affairs ministry as problem recogniser and problem solver.

As argued below, these issues are closely connected to the traditions in Dutch EU policy coordination. Therefore, managing integration and making the necessary adaptations will require structural changes rather than marginal and incremental changes in EU policy coordination. Co-determining priorities, formulating ambitions together with sector ministries and solving problems seem to require close involvement from the environment ministry as well as upgraded workplanning and problem solving capacities at the interministerial level. In addition, officials in the environment ministry are often not interested in integration or in influencing colleagues in other ministries due to reasons of overload and lack of will, or because of their conviction that integration is the task of the other ministries. Integration is not a major objective in the sector directorates of the environment ministries – apart from the EU affairs unit.

Of course, such problems do not apply to all EU policies under negotiation. Whether problems arise depend, for example, on the cooperative inclinations of people involved, on the sensitivities of topics, and on whether trust relations already exist. However, organisational capacities have to be such that also – or especially – controversial topics can be addressed.

3   Managing integration - Bureaucratic politics *vs* organisational design?

There is a reflex in member states to send officials to training courses whenever there are certain problems related to the EU. The same has been witnessed in relation to EPI. The implicit tenet behind the training approach is that integration poses challenges to individuals rather than to organisational mechanisms: If only officials would know more about integration then they would be more inclined to include environmental objectives.

The question for us to answer is which organisational capacities are relevant for supporting integration. Several – often seen as competing – organisational models can be used to find an answer. In a crude form, we will distinguish two basic approaches, one which assumes that complex organisational problems can be organised and managed and one which is sceptical of organisational capacities. Given the complexity of EPI, is it realistic to assume that it can be managed?

We need a conceptual tool to assess and diagnose the available coordination mechanisms. However, there is no such thing as 'the' organisational theory offering 'a' model for assessing coordination capacities. Organisations are too multifaceted to be examined and understood by one comprehensive approach. Their behaviour is the result of, among others, external influences and disturbances, values in society and of the people that work within them. Various kinds of models have been developed to make sense of organisational behaviour and students of organisations have made different assumptions about the mechanisms that influence organisational behaviour. Some argue that complex organisations can not be managed because it all depends on personalities, traditions of cultures (e.g. on whether there is cooperative culture or not). In this view, the characteristics of organisations - or managing change processes - are less relevant because cultures or people are hard to steer or influence. Others assume that organisational procedures guide and influence human behaviour. In this school of thought, organisations are expected to change when new strategies are formulated. In the same tradition it can be argued that with stronger internal differences, more thought has to be put into the design of coordination mechanisms (c.f. the work of Lawrence and Lorsch, 1967).

Given these different opinions, we have to argue and defend the organisational model that is applied here. The model below is eclectic and incorporates the two competing views on organisational behaviour – i.e. the organisational process model and the bureaucratic politics model. This distinction is based on Allison (1971).[16] By using these two ideal models as point of departure, the assumption is made that organisational behaviour is determined by 1) political processes of pulling and hauling between differentiated units and by 2) the design of the organisation. In other words, 'politics matters' and 'structure matters'. Both dimensions are needed to confront different types of challenges of integrating environment policy.[17]

Operalisation of the model for analysing coordination capacities

These two basic approaches allow us to develop a model for analysing capacities for integration. What we are interested in are coordination capacities. Both ideal models are based on different kinds of coordination instruments. Allison's models are still rather crude and therefore not specific enough for empirical research. To flesh out the two approaches, we will use the models for analysing coordination in organisations as presented by Mintzberg.[18] This allows us to map the different kinds of coordination capacities we are looking for. Moreover, Mintzberg underlines the need to see elements of an organisation as interconnected. The kind of coordination

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16. Allison of course distinguished three models. However, we will disregard his rational actor model which examines especially the role of the political apex. According to Allison, this third model is particularly relevant for crisis situations in which the Minister has to be closely involved in the decision-making. EPI can not be seen as that kind of crisis situation and is not something that has full attention from politicians. It is more a matter of continuous haggling between officials. Moreover, one brain is not big enough to grasp the many dimensions of environment policy.

Allison's distinction has been very influential and has been used by, among others, Hah and Lundquist (1975), Toonen (1983) and Hult and Walcott (1990), and it has found its way in text books in political and administrative sciences. To prevent confusion, it has to be emphasized that these scholars have slightly different interpretations of the three models. The different interpretations of Allison's models are the result of the fuzzy boundaries between the three original models. In their critical review of the models, Bendor and Hammond (1992) suggested ways to arrive at a clearer distinction between the approaches and updated the models. Their suggestions for improving Allison's earlier models have been included here.

[17] Even though this is only a rough representation of the main trends in organisational theory and does not do justice to the richness of this field (cf. the eight models in Morgan, G., 1986, *Images of organizations*, London: Sage.) it nevertheless underscores principal differences and leads to different views on how to analyse an organisation.

[18] Mintzberg (1979, 1983, 1989).

mechanism determines other characteristics of the organisation. It is particularly important to recognise that the top of the organisation has to assume different roles in each of his models.

His typology of organisational structures encompasses 5 configurations, i.e.:

- the entrepreneurial organisation – guided by the owner/entrepreneur (hierarchical top-down coordination),
- the bureaucracy – based on rules (coordination by standard operating procedures),
- the divisionalised organisation – in which wide responsibilities are granted to more or less independent parts of the organisation (coordination by means of imposing output targets),
- the professional organisation – in which coordination is based on training so that the professionals can work independently without hierarchical supervision,
- the innovative organisation – in which coordination takes place through horizontal coordination. We will use the term "horizontal organisation" (H.O.) for this configuration because it strongly emphasises horizontal coordination.

Given the size of the ministry and the specificities of integration of environment policy into other policy areas, we can restrict ourselves to the *bureaucracy*, the *divisionalised organisation (D.O.)* and the *horizontal organisation (H.O.)*.[19] The bureaucracy and the divisionalised models belong to the organisational process school whereas the horizontal organisation is connected to the bureaucratic politics approach. An outline of the two approaches and the connections to Mintzberg's configurations is presented in Table 1. The model can be applied at intra- and inter-ministerial level.

The model in the table below for assessing coordination capacities is divided into two parts (see the last two rows). Part A makes the relevant coordination mechanisms explicit. However, coordination mechanisms can not be understood without careful consideration for the role of the top of the organisation. In organisations, decentralisation and centralisation are two sides of the same coin. The way in which integration is organised, through for example rules and planning mechanisms (B) or through decentralisation to directorates (D.O.), affects also the role of the top. Part B therefore focuses on the role and the capacities of the administrative apex of the ministry.

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[19] The ministry is to big and to multifaceted to be an *entrepreneurial organisation* (for the same reason was Allison's rational actor model excluded).

The *professional organisation* applies to ministries in general because officials are usually highly trained experts. However, we can not assume that all officials are experts in environment policy. The professional skills of each of them can therefore not be relied upon as the main mechanism for coordinating between environment and sector policies. Despite training activities, officials will continue to have their primary tasks, objectives and specialisations (for the limited use of training in such circumstances, see Schout 1999). Instead, horizontal cooperation between sector exports and environment experts seems more appropriate. This makes the horizontal model more applicable than the professional model.

The *missionary configuration* which Mintzberg presented later (Mintzberg, 1989) has some relevance because integration and sustainable development are part of the mission of ministries. However, as is often the case with mission statements, sweeping statements regarding the objectives of the organisation often serve external purposes rather than that they give internal guidance. Moreover, missions usually present what an organisation regards as problematic (Schein, 1985). It is probably too early to assume that ministries have fully incorporated environmental objectives – and it is doubtful whether they will do that in the foreseeable future.

Table 1 - <u>Model for analysing capacities for integrating environment</u>

Configuration	Organisational process models		Bureaucratic politics models	
	Bureaucracy (B)	Divisionalised organisation (D.O.)	Political arena	Horizontal Organisation (H.O.)
Basic decision-making concept	*Decision as outcome of organisational characteristics	*Decision as outcome of organisational characteristics	*Decision as political result: *Market model* of decision making ·	*Decision as managed politics (facilitated by horizontal coordination mechanisms)
Organising concept	* Fragmentation of the organisation into semi-independent units * Gluing together of units through standardisation of behaviour: Guidelines, rules, priorities & workplanning systems	* Fragmentation of the organisation into semi-independent units - * Gluing together of the units through standardisation of output (=mission statements of the independent divisions). In this study: directorates of the ministry 'own' EPI.	* Micro politics between differentiated units: on voluntary cooperation, bargaining, competition, misunderstandings, misperceptions, games	* Micro politics between differentiated units: voluntary cooperation, bargaining, competition, misunderstandings, misperceptions, games * Managed politics (based on mutual coordination mechanisms and provisions for macro management)
Analytical model – Part A: *Coordination mechanism at the operating core*	* EPI managed through: Guidelines, rules, priorities & workplanning systems	* Capacities of directorates to incorporate environment policy: how many officials for EU policy do directorates have, at what levels, are they centrally located in the directorates?	-	* Horizontal coordination mechanisms: 1 Informal relations 2 contact persons 3 task forces 4 teams 5 integrating role 6 decision taker
Analytical model – Part B: *Role top*	* Formulating guidelines, rules and priorities * Monitoring whether the rules are respected and that workplanning is efficient	* Formulating objectives and general policy lines * Performance control	-	* Ensuring effectiveness of the listed mechanisms * Integration, coordination and problem solving (taking care of mechanisms 4-6 above)

Based on: Schout (1999, p. 107).

A   The organisational process model

The organisational process model is based on the groundbreaking work of Simon (1976), Simon and March (1958) and Cyert and March (1963) who pointed to the limited relevance of assuming that decisions are the result of the rational behaviour of one actor.[20] Organisations are tools to overcome the limitations of the bounded rationality of individuals. They make it possible to decompose complex tasks into sub-tasks which can be carried out within relatively independent units. It is assumed that systems can be designed which perform better than the people of which they are composed. To be able to function as independent entities within the broader framework of the overall objectives of the organisation, units have to have a set of targets, skills, standard

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[20] March, J.G., H.A. Simon, 1958, *Organizations*, Wiley, New York: Graduate School of Industrial Administration; Simon, H.A., 1976, *Administrative behavior; a study of decision-making processes in administrative organization*, New York: The Free Press; Cyert, R.M., J.G. March, 1963, *A behavioural theory of the firm*, Englewood Cliffs NJ: Prentice Hall.

operating procedures and repertoires so that the members of the units know what is expected of them and how to discharge their tasks.[21] Using standard operating procedures and relying on routines implies that not every decision has to be seen as new. Tasks can therefore be carried independently because people know what is expected of them and whom to inform in case of overlapping interests.

The rules and procedures do not constrain the behaviour of units.[22] Instead, they provide the framework within which units can work independently. Regulations provide the basis for individual actions as well as make organisational behaviour more reliable and more transparent. The standard operating procedures, together with other organisational characteristics such as the number of units, the organisational roles defined and the variety of coordination mechanisms available, determine which issues in the environment are monitored and which problems are perceived. Moreover, they influence the way in which problems are solved. Contrary to rational decision-making model, decisions are not based on selection of optimum alternatives but are influenced by factors of organisational design. Ways to improve decision-making - if these processes do not lead to a satisficing overall performance - will be sought in new rules and operating procedures, updating objectives, training, and incentive mechanisms.

This model focuses attention on the mechanisms which have been introduced to enable units to operate in their European environments. Based on Mintzberg (1979), we shall distinguish two types of mechanisms to standardise and control output of units; each of which leads to a particular type of organisational form. (1) Behaviour can be standardised by means of rules and standard operating procedures, which characterises the bureaucracy. (2) Complexity can be reduced by dividing the organisation into more or less independent divisions which can operate autonomously, provided they fulfil centrally formulated goals and standards ('standardisation of output' as coordinating mechanism in the divisionalised organisation).

The bureaucracy

The typical Weberian bureaucracy is a large and multifaceted organisation in which the work of the organisation is subdivided into clearly described sub-tasks that can be handled by individuals independently. To remain a purposeful whole, a bureaucracy relies heavily on rules and procedures as chief coordinating mechanisms. This kind of organisation depends on formal definitions of tasks, rules and handbooks, planning procedures and formalised communications lines. Therefore, these are the items that we will look for in the empirical part of the study.

Although the bureaucracy may be the least popular form, every organisation is characterised by such coordination mechanisms. They make the organisation transparent, reliable and controllable. Paradoxically, rules can make important contributions to effective informal coordination and to active exchange of information because actors are stimulated to consult – and they are reprimanded when rules are broken – and costs of information exchange is reduced. When rules have sunk in they become part of the culture of the organisation so that actors will exchange information without knowing whether it are the rules or whether it is the culture that emphasises cooperation.

21.Allison (1971, p. 78 - 87).
22.This version of the organizational process model differs from Allison's model. It follows the interpretation of Bendor and Hammond who emphasize that organizations enable complex decisions to be made. In comparison, Allison presents organizations as being constrained by standard operating procedures. In his view, systems can not perform better than the fallible individuals who carry out the work. Bendor and Hammond follow more closely the original work of the scholars from the Carnegie School (Simon, Simon and March, and Cyert and March) in which organizations are presented as tools to overcome the cognitive limitations of individuals. They therefore conclude that Allison: "seriously misapplied the lessons for the Carnegie School" (Bendor and Hammond, 1992, p. 311).

Rules, handbooks and manuals, however, are usually quickly forgotten. Laying down rules is one thing, keeping them alive is quite another. Therefore, strengthening EU coordination capacities in the context of the bureaucratic model requires that management formulates rules and sets priorities and sees to their observance. Ensuring implementation of rules and observance can be done, for instance, by attaching sanctions to reporting obligations. Moreover, it is important that management itself sets the example.

Divisionalised Organisation (D.O.)

In the traditional bureaucracy, central management has to prescribe and control everything. One way to decompose the complexity of a bureaucracy is to break it up into independent divisions (i.e. Directorates when we apply this model to the ministry). In essence, the divisions receive objectives from the top (e.g. 'produce 9% profit' or 'integrate environmental objectives'). The apex of the organisation subsequently has to monitor whether these objectives are achieved. In addition, if necessary, central management has to ensure that problems between the divisions are settled. Central management does not play an important role in day-to-day management, but it has a key task in setting and monitoring strategic directions.

Conditions for effectiveness are: the divisions have to be as independent as possible, the divisions have to have the required expertise in the various fields in which it operates, and the apex needs to have the resources and expertise to monitor the divisions.

Strong points of this configuration include efficiency because it saves on coordination costs between divisions. On the other hand, this form is not suitable for coordination between policy fields. Information exchange will tend to become 'passive' – only send to other units upon specific requests - and problem solving is hampered by disputes over territories.

The D.O. seems to be the preferred model for national as well as of Commission officials for managing integration. Most officials would like directorates or DGs to be responsible for integration (this is reflected in the terminology used in interviews: 'ownership', 'decentralisation of EU responsibilities'). Within the Commission, DG ENV would like other DGs to pick up the integration challenges without a policing role for the environment officials. Same preferences were expressed within the Dutch environment ministry.

Applying this model to the integration capacities in the ministry leads to the following questions about the ministry: *how many officials for EU policy do sector directorates have, at what level, are they centrally located in the directorates?* The key issue is whether the directorates are sufficiently equipped to defend the environment perspective. At central management level we are interested in the capacities to monitor whether environment integration is indeed part of the work of the sector specialists. *Does the apex have the required capacities?*

Applying the model to the interministerial level points towards capacities of sector ministries to integrate environment policy themselves and to the role of the environment ministry in monitoring the extent to which integration is picked up by the ministries.

The focus in both models above (the bureaucracy and the D.O.) is on independent decision-making by units whose behaviour is standardised by rules or targets. The emphasis on units working independently and on standardisation of behaviour means that this perspective is less relevant to tasks for which interdependence between units has to be managed – as is the case with integration. Overlap, problems and interdependence between units are in these models dealt with by means of central coordination.[23] Problems or issues for which no standard operating procedures exist will be referred to higher levels. Decomposing tasks and relying on standardisation of behaviour is therefore only appropriate in complex but stable environments. Dynamic environments in which units have to tackle new questions and formulate common approaches will therefore demand a different view on decision-making.

23.Allison (1971, p. 90), Hah and Lundquist (1975, p. 595).

These models will therefore be useful because the rules and targets provide a basis for directorates to incorporate integration, but horizontal coordination mechanisms are necessary complements.

B   The bureaucratic politics models

The bureaucratic politics paradigm deviates in important respects from the organisational process models in that it emphasises the limitations of organised coordination. Instead, it focuses on informal and horizontal relations. This model questions the feasibility of central coordination in dynamic environments in which tasks and objectives are ambiguous. Under such conditions, hierarchical and centrally controlled organisations suffer from overload and implementation problems.[24] Communication channels will be blocked by bottom-up information reports and by requests for new instructions when previously defined objectives cannot be attained. Moreover, central management will not be able to process the information, control new developments or reformulate objectives. Nor will standardised behaviour be useful when new problems arise.

This model acknowledges the importance of informal relations and internal politics. Politics in this sense is defined as the pulling and hauling of actors in order to get access to decision-making and influence outcomes.[25] The political model is therefore closely related to the concept of power in organisations. The power actors have depends on the support they can mobilise, the games they play, and their formal position within the organisation ("formal authority"[26]). Organisational behaviour in this model is not based on either rational decision-making or units operating independently to attain given objectives. Instead, it is determined by actors who identify opportunities, recognise interdependence, have an interest in influencing decisions, and develop support for their views by means of informal lobbying and other political games. Coordination takes place by means of bargaining, competition, turf battles, sharing or deliberately not sharing information, implicit coordination, and misunderstandings.[27] The political model recognises that organisations are pluralistic. In addition to organisational objectives, units as well as people within units have their own goals and objectives, and these levels of interests can be overlapping, complementary or conflicting. Therefore, to understand the behaviour of an organisation, one has to look at the players and their interests.

The decentralised way in which information is gathered and objectives are formulated and implemented is supposed to be the most suitable model when confronted with complexity and uncertainty. Informal relations are also used prescriptively: it is better to rely on incremental changes in various parts of the organisation ("muddling through"[28]) and on mutual coordination than on overall blueprint decisions taken at senior level.[29]

A central theme in political models is that decision-making runs through self-organising systems, free from rigidity and without the limited information-handling capabilities of the organisational process model. Some authors have presented the political view as a "market model" to underline that the behaviour of the organisation is the result of the interplay between individuals rather than the outcome of a central decision-making process.[30] The key assumption is that informal relations come about spontaneously. Hierarchical coordination or specific coordinating roles are therefore not needed, as underscored by the titles of articles and books by

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24.Pfeffer (1981), Chisholm (1989).
25.Allison (1971, p. 279).
26.Pfeffer (1994); see also Mintzberg (1983).
27.E.g. Palumbo (1975), Bendor (1985).
28.Lindblom (1959).
29.Landau (1969), Hedberg et al. (1976), Wildavsky (1979), Landau and Stout (1979), March and Olsen (1986).
30.Bendor (1985).

Wildavsky ("Coordination without coordinator", 1979, p. 90) and Chisholm ("Coordination without hierarchy", 1989).

However, close reading shows that Chisholm takes a more subtle view than his title suggests. He also points out that in some of the cases he examined relations did not come about automatically, that multilateral problems proved difficult to solve, and that it took a long time to develop trust when new situations demanded new bilateral relations. He therefore poses the question as to whether some types of structural arrangements are needed to avoid such pitfalls.[31] This suggests the following preconditions for the political arena model:

- Actors have to be aware of overlapping interests, common objectives and interdependence. Contrary to what many assume, this makes the model *less* applicable in larger organisations – they are too big to recognise interdependence or to assume common objectives. Organisational functions and roles are therefore needed to increase transparency and reduce coordination costs.
- Actors need to be willing and able to become involved in the work of others – a daring assumption when applied to EPI.
- Trust and experience in cooperation is required.

The managed politics model – The horizontal organisation

The question of whether relationships are established spontaneously and whether they produce satisfactory results leads to a more fundamental consideration: Is it necessary to disregard structure altogether in the political model? Some argue that organisational structures are irrelevant because, for one thing, actors have different values and, for another, there is usually a lack of information about cause-effect relations. Decision about goals and rules are therefore the outcome of informal coordination and of conflicts. Besides, any attempt to introduce coordination mechanisms will have a negative impact on flexibility or will be based on past experience rather than on current challenges.[32]

Nevertheless, also in the politics school is the design of an organisation often identified as one of the factors influencing behaviour and enabling decision-making. Therefore, Hult and Walcott (1990) distinguish two types of political models, namely the 'political arena' – or market model - and the 'managed politics model'. Even though they recognise the use of semi-independent units and overlap, these authors stress that the market model need not be appropriate in situations where objectives are controversial and when actions by one part of the organisation may contradict or nullify efforts by other parts.[33] They further argue that human institutions should not be seen as markets because the behaviour of individuals is constrained by values, rules and cultures, and because interaction takes place within the framework of the organisational hierarchy. Consequently, purely political models are hard to find.[34]

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31. Chisholm distinguishes elements which enable informal coordination, such as common objectives, common professional backgrounds of the experts involved, stable networks and use of similar technologies. He also notes that the contacts between the organizations in his research are long-standing so that a relationship of trust has developed. Moreover, because interdependence will continue in the future, negotiations are not seen as "end games" because there is always "the shadow of the future", which prevents opportunistic behaviour and which stimulates actors to by reliable and cooperative. Organisational process solutions, he argues, may be necessary when these conditions are not fulfilled.

32. Palumbo (1975, p. 351 - 352); see also Wildavsky (1979) and Chisholm (1989).

33. See also Pfeffer (1981), Morgan (1986).

34. The same conclusion has been drawn by Heckscher and Donnellon (1994). Albeit in a hidden form, also Allison (1971, p. 164 - 171) includes structural concepts in his description of bureaucratic politics where he refers to "players in positions", "action-channels" and "rules of the game". Compare also the concept of "organised anarchy" put forward by March and Olsen (1986).

The model of managed politics is based on the assumption that political processes are guided by, among others, rules, task forces, informal understandings, instruments for handling problems, control mechanisms and supervision. Also the hierarchy has role to play - even though different from that in the organisational process model. It is responsible for ensuring that structure operate efficiently, that problems are solved and that outcomes are satisfactory (compare concepts of learning organisations). The higher - macro - level of decision-making helps to overcome the weaknesses of micro-level interactions.[35] The managed politics model requires capabilities at micro-level so that units can work independently – compare the organisational process model - as well as capabilities at the systemic level to manage interdependence between units.

The horizontal organisation specified below is an example of the managed politics view on organisations. The horizontal configuration is based on six qualitatively different kinds of mechanisms, ranging from loosely coupled to tightly coupled horizontal coordination instruments. These mechanisms are complementary: more demanding tasks and greater differences between the actors demand additional higher-level horizontal coordination mechanisms.

1. Informal relations

For simple issues informal coordination will be sufficient. Usually, civil servants like this type of cooperation. The absence of a hierarchy between ministries (and between directorates within them) make informal networks essential. However, in large organisations, or if disagreements become fierce, the limits of this instrument are quickly reached. Information flows become intransparent, information may be withheld and solving complex and sensitive problems becomes very difficult. Higher forms of horizontal coordination will then be required.

Two kinds of informal relations can be distinguished: active and passive. Active informal relation imply that the possessor of information has to make an effort to involve others, to consult and to settle disputes. Passive relations put the ball on the foot of the dependent party.

2. Contact persons (liaison roles)

A higher form of horizontal coordination is the use of liaison officers. They help to keep the organisation transparent and facilitate interaction by reducing transaction costs because people do not have to look for the right person to inform or contact. These contact people are sometimes called "T-figures": people who have both environmental and technical expertise.[36] Such liaisons can be created at the level of directorates or of units. There basic role is to facilitate information exchange. Whether they are influential depends partly on their seniority. There is no guarantee that these roles will help to solve problems. Facilitating information exchange may well lead to more internal conflicts that demand additional problem solving mechanisms. For this, the organisation needs the additional capacities listed below.

3. Task forces

Informal relations and liaison roles are based on bilateral contacts. More complex issues require task forces. These are meetings of all the experts involved, and combine the various elements in the organisation connected to a subject. Task forces typically exist at the operating core of the organisation. The members of the committees meet on an equal basis. A task forc·· r٦ay have a chairman, but it will not have a 'boss'.

35.Cf. Heckscher and Donnellon (p. 40). An advanced macro management model is described by Metcalfe (1993). See also the "planned bargaining" model developed by Challis et al. (1988) or the model of Egeberg (1987) for managing March and Olsen's organized anarchy. March and Olsen (1986) characterize decision-making processes as "organized anarchy" in which problems, people, solutions and opportunities flow independently through the organization. Nevertheless, these streams are determined in part by the structure of the organization (p. 16). Egeberg (1987) elaborates the structural characteristics which facilitate management of ambiguity and anarchy and refers to management of attention, management of conflict, management of ambiguity, management of innovation and management of organizational change.

[36] Compare the environmental correspondents in the Commission.

4. Teams

If no solutions can be found and no priorities can be pinpointed at this operating core of the organisation, then the problem has to be taken to a higher level. Paradoxically, this introduces a role for the hierarchy in horizontal coordination. Horizontal problem solving at management level typically takes place in teams in which directorates (or – at interministerial level - ministries) are gathered on the basis of equality. Task forces are committees of experts concentrating on one issue – e.g. a Commission proposal – whereas a team operates on a more general level. For instance, most ministries have standing committees for EU policy at directors' level.

5. Central coordinator (integrating role)

A team consists of equal members and offers a forum for horizontal cooperation between the various parts of an organisation. Teams can be reinforced by a coordinator who is responsible for preparing meetings. Such a coordinator has no formal authority over other units in the organisation but he[37] has procedural powers - the power to call meetings, access to information, access to the minister, rights of initiative and possibly budgetary rights. The effectiveness of the integrator will depend furthermore on his personal capacities, prestige, experience and interpersonal skills.

This kind of integrating role fits very well into traditional administrative relations in most member states in which ministries – and directorates within a ministry – are equal. Most countries have collegial governments in which is the Prime Minister the *primus inter pares*. The same applies to a secretary-general in relation to the directors-general (directors-general may even argue that they are superior to the SG).

6. Managerial linking role (integrator with hierarchical authority)

By way of a final step, it may be decided to give the coordinator the final power to take decisions. The chairman in this case is no longer merely a facilitator but is someone who can overrule the partners. (The British administrative system can be used as an example, because the Prime Minister has the power to monitor and overrule ministers.) Besides the right to take decisions and final responsibility for European policy, this position involves having the power to operate across ministries - or directorates within ministries – and to point out mistakes or missed opportunities. These are highly sensitive matters in collegial administrations.

C The choice of coordination instruments – Matching differentiation and integration

Which of the instrument above have to be used in an organisation? Following the arguments developed in contingency theory, it all depends on the situation. More difficult and sensitive issues will demand more, qualitatively different and stronger coordination mechanisms.[38] The mechanisms presented in Table 1 are therefore complementary. These three types of coordination mechanisms present a powerful tool for analysing capacities for integration.

As underlined above, the model combines elements at central and decentral levels in the organisation. In this respect, it reflects a *subsidiarity* view on organisations: many issues can be handled at the operating core but the apex is required for setting objectives, monitoring, formulating rules and problem solving.

4 Dutch inter- and intra-ministerial EU Policy coordination

Literature on EU policy coordination is mainly descriptive. It presents the mechanisms member states or ministries have to arrive at a position for the negotiators. One problem with this kind of factual information is that it is not analytical and it is therefore too limited to understand the

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[37] 'He' is used without gender connotation.

[38] This argument goes back to the work of Lawrence and Lorsch (1967) who argued that more differentiated organisations demand stronger integration instruments.

available organisational capacities or to judge whether the mechanisms add up to a reliable system. The model in Table 1 offers a way to analyse more systematically the organisational roles, structures and configurations for managing integration.

The second problem with the available descriptive material is that it takes the phases of decision making in a member state as point of departure (it describes when policy is coordinated but leaves aside when it is not coordinated). The analysis below will start from the phases of decision making at EU level (starting with the intra-Commission phases). Section A presents main characteristics of Dutch EU policy coordination. Section B describes EU policy coordination mechanisms. The analysis will follow in Section 5.

A   General characteristics

Any study of capacities has to specify the historical and institutional context of the organisation. This wider context is important to understand the organisation and serves as reminder of the traditions from which it will be difficult to part. Therefore, before analysing intra- and interministerial coordination capacities in section 5, this section will present the main characteristics of Dutch EU policy making.

-       The Dutch administration is not a civil service as in the UK. Officials feel a strong commitment to sectoral objectives rather than to some sort of feeling of 'national togetherness'. In fact, interministerial relations can be quite competitive. This is changing now. Officials have become more aware of the importance of coordination before going to Brussels as a result of increasing European experience and with traditions in cooperation being created. Nevertheless, there is no generally supported commitment to active information or consultation.

-       Receiving information is a right, but often one has to make an effort to get it (passive information). On the one hand, the emphasis on limiting information to a 'need-to-know' basis is efficient because it prevents information overload. On the other hand, it opens opportunities for strategic information games. In addition, it raises coordination costs for the receiving party – i.c. the environment ministry. If the environment ministry wants to remain involved, it has to constantly show interest, monitor developments, ask for information, and monitor whether feedback is taken into account. If not, then the other ministry may think that the environment ministry has no real interest and will reduce dispatching information.

-       Officials strongly favour *informal* coordination. This is facilitated by the fact the EU specialists from the ministries form a small community that meets regularly in the various coordinating bodies.

-       Coordination is clearly oriented towards the events of COREPER and Council meetings (*'event' coordination*). The major coordinating bodies are the meeting in which COREPER instructions are formulated and the CoCo (coordination committee) every Tuesday in which Council instructions are approved. Both meetings are chaired by MFA. This also underlines that the role of MFA increases as policy passes through the phases. This is part of the explanation of why problem solving is difficult in earlier phases. Event coordination also implies that problem solving is concentrated at the end of the policy process.

-       Ministers are equal. The Prime Minister is *primus interpares*. Problems can therefore linger on because of the difficulty in taking decisions. It may even happen that ministers do not stick to their officially agreed briefs.

-       Until the end – when instructions for Council meetings are approved in the CoCo and send to the Cabinet – *MFA has a rather weak role* in coordinating flows of information. This is caused by, among others, lack of technical expertise, junior or frequently rotating officials who coordinate instructions, and the high level of individual responsibility of sector ministries. Moreover, the position of MFA only becomes substantial in the end phase when instructions for Ministers have to be agreed. In case of problems, MFA can not step in or force solutions.

- A high level of responsibility for sectoral ministries ('decentralised responsibility for EU policy). Environment is the major exception of a policy field coordinated by MFA. Other ministries have to ensure coordination themselves. As a result, it can be difficult to influence the actual negotiations in other Councils, especially when officials do not work with official instructions. One way to overcome such limitations is by accompanying colleagues to meetings.. However, the environment ministry can not be present in all relevant meetings. Delegations for environment related meetings in Brussels are therefore rather large but - given its horizontal interests - the environment ministry is not in the position to send officials to many meetings in the framework of other Councils.

- Being a small country, the Netherlands has been pro-EU and pro-Commission. There is no tradition of being critical to developments within the Commission. Even the increasing use of qualified majority voting (since the Single European Act) has not resulted in more attention to earlier phases of decision making - even though the earlier phases are generally recognised as being the most important for influencing outcomes.

These characteristics of interministerial policy making underline the need for the environment ministry to reinforce its own EPI capacities because there a quite some tendencies at interministerial level to be reactive, to focus on end phases, or to look at Council decisions in a fragmented way.

B   EU policy coordination mechanisms at inter- and intra-ministerial level: starting point (1999)

At this stage, we keep the descriptions of the inter- and intra-ministerial policy coordination to a minimum.[39]

Interministerial policy coordination

A policy proposal goes through many stages before it is adopted in the Council. A careful presentation of these phases demands attention for the way in which national representatives are involved in each of the steps and of how these are coordinated at intra- and interministerial levels (see Table 2).[40]

Without going into detail, the Commission phases entail at least seven steps. However, our description of the mechanisms in 1999 showed that Commission phases were hardly coordinated. Some ministries would keep environment officials informed of progress in expert committees. MFA sends around the necessary information on white and green papers but these do not lead to major discussions (despite the importance of such policy statements for future policy).

The Council phases start when a proposal is send from Commission to Council and EP. New Commission proposals are discussed in an interministerial committee – on average every fortnight. The committee is chaired by MFA. The original purpose of the committee when it was created at the beginning of the 1990s was to shift coordination forwards and make it more pro-active. However, in practice this committee developed into a rather junior committee with little authority to determine directions or to detect problems at an early stage. In fact, it is regarded as a light coordination meeting that basically serves to transmit information and to see which ministry has a basic interest in a new topic.

Council working parties are the responsibility of sectoral ministries (environment policy is the main example of a policy field coordinated by MFA). Coordination practices vary strongly

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[39] For details, see Schout and Metcalfe (1999).

[40] See the Chapter on the internal management of the Commission in Schout and Unfried (2001, forthcoming).

between ministries and between individuals. Some are open, other are less cooperative. Some work with formal instructions and will make an effort to involve the environment ministries whereas other officials avoid instructions to maintain a maximum flexibility and have a more constrained view of objectives. Influencing negotiations in sectoral Councils demands considerable energy from the environment ministry. The passive information tradition demands continuous involvement.

The COREPER-instructions meeting is the first meeting where developments in each the Councils areas are discussed in detail. Each ministry has to present draft instructions for COREPER. It is chaired by MFA. The difficulty with this meeting is that there is only a few days for other ministries to look at the draft instructions. Drafts are send around on Thursday or Friday and the meeting itself takes place on Tuesday. Moreover, it is at the end of the decision cycle.

The CoCo is the interministerial meeting in which draft instructions for Council meetings are discussed. Increasingly this team is also used to discuss White and Green Papers and problems that arise in earlier phases of the negotiations.

Coordination of EU affairs in the environment ministry

As a rule sector directorates are responsible for EU policies in their own areas. Sector experts have to pick up the relevant topics on the EU agendas and decide whether – and which - EPI themes are of interest on the agendas of other Councils.

The EU affairs unit complements these responsibilities by acting as coordinator of the environment Council and by coordinating the input of the ministry into the interministerial coordinating committees. To prepare these interministerial teams in the ministry, officials from the EU affairs receive the agendas from MFA and subsequently approach the relevant experts in the various directorates. Often the positions of this ministry are subsequently drafted by the relevant expert and the officials from the coordinating unit.

In order to upgrade the early involvement in the interministerial coordinating meetings, the ministry has been upgrading its involvement in the meeting in which new Commission Proposals are discussed. It has been setting up a system of getting draft proposals earlier and not to wait for the official announcement that would otherwise come in via MFA. The ministry now works more on the basis of the agenda of the College of Commissioners. Difficulties with working on the basis of the agenda of Commission decisions are that it is still quite late in the decision making phase (other ministries have been contact with the Commission many times before) and it is often difficult to see what is meant under the heading of an agenda item or to find the appropriate expert in the ministry to look at it.

Table 2 – Mechanisms by which integration is managed

	Involvement national representatives	Inter-ministerial mechanisms	Intra-ministerial mechanisms	Potential opportunities	Advised changes	Preconditions
Commission phases					- Switch from passive information and event coordination towards active information and issue coordination - Select Presidency agenda as the main target for setting priorities and for solving problems.	A) The environment ministry: 1) EU affairs unit needs to have the resources to ensure that Presidency agendas are scrutinised by sector directorates. 2) Sector directorates need to liberate resources to look at Presidency agenda and to ensure that when other ministries send information, that this is indeed processed. B) Interministerial preconditions: 1) MFA needs to assume coordinating and problem solving roles in earlier stages so that conflicts do not end in turf battles. 2) Authority of MFA needs to be upgraded – e.g. by involving the Prime Minister as supervisor in problem solving.
Initiation	National lobbies, Discussions in high level meetings ('EPRG', etc.)	-	-	Influence can be strengthened at interministerial level as well as within the Commission:		
Green, White Papers	-	Distributed by MFA	-	- Possibility to ensure that national officials consult in each of these steps		
Intra-DG workplan ('indicative list')	-	-	-			
Commission Workplan (around January)	-	Distributed by MFA	-	- Commission agenda offers opportunities to set interministerial priorities		
Writing proposal	Expert committees	Voluntary consultation				
Interservice consultations	-	-	-			
Adoption	-	-	- Attempts have been made to work from the Commission's agenda			
Council phases						
Presentation of proposal	-	- Committee to discuss New Commission Proposals. (A 'light' committee mainly to exchange information.)	- Light scrutiny of proposals. Instructions (*Fiche*) coordinated by EU affairs unit. Sector experts have little time to study proposals	- Attempt is made to have closer look at Commission proposals - In case of differences MFA could take over and settle disputes		
Presidency agenda (presented in June and December)	-	-	-	- Offers possibilities to set priorities and to check interministerial agreement		
Working parties	- working parties	- Varied picture: some ministries prepare working parties more or less independent; others make an effort to coordinate - Information send on basis of 'need to know'	- Attempt is made to monitor major developments - Sector directorates prefer 'own' policy than to monitor time consuming integration topics.	- Other working parties could be more closely monitored - MFA could take over in case of disputes		
COREPER	- meeting of Permanent Representatives	- COREPER-instruction meeting (chaired by MFA)	- Instructions coordinated by EU affairs unit	- (could be abolished)		
Adoption in Council	- Council meetings	- CoCo meeting chaired by MFA	- CoCo coordinated by EU affairs unit	- (could be abolished)		

5   Analysis and the resulting recommendation for building up integration capacities

The presentation above has been descriptive. We will now apply the model in Table 1 to assess coordination capacities and to evaluate whether the presented set of mechanisms forms a viable/effective system. In addition, the model can be used normatively because it presents in abstract terms coordination capacities for complex organisations. This offers also an opportunity to compare the capacities officials assume are needed (i.e. mainly D.O. capacities – see above) to what we hypothesised will be important (especially H.O. capacities). Application of the model gives insight into the capacities for integration and leads to insights into what capacities EPI demands.

Section A analyses the capacities in the environment ministry. The application of the model to the interministerial conditions is presented in Section B. The model has not only be applied to analyse but also to put forward ideas for adaptations at both levels. Section C summarises the main recommendations based on the model in table 1 under the heading of 'from event to issue coordination'.

A   Analysis – I: Intraministerial capacities for integration

The ministry as Divisionalised Organisation (D.O.)

This form relies especially on directorates working together. It is the most popular form for integrating environment objectives in the Commission and in the Member states (see the references to DGs that have to 'own' environmental objectives and 'decentralisation' of integration responsibilities).

As discussed, this configuration assumes that directorates have the capacities and the will to monitor integration issues in the relevant other Councils. In addition, the central level in the ministry should be equipped to monitor whether directorates actually take up their integration responsibilities and to intervene when conflicts occur.

Also this ministry can best be presented as a typical D.O. Its tasks are separated and distributed to - more or less - independent directorates. The main tasks of the EU affairs unit confirm this picture. Until the beginning of the year 2000, it had especially the responsibility for preparing the Environment Council instead of more broader policy coordination across boundaries of directorates. The coordinating unit has been performing service functions such as representing the ministry in interministerial coordination fora and, where necessary, in Council meetings. It leaves directorates quite autonomous as regards their selection of priorities and EU objectives so that the autonomy of directorates is respected.

The D.O. is the appropriate form for handling independent tasks but is less effective for managing overlapping responsibilities such as involved in EPI. The study in 1999 pointed to the fact that directorates can not be assumed to be willing and able to actively pursue integration objectives. Directorates have different objectives and ambitions and often prefer to focus on their 'own' policies. The sector directorates regard their influence as too indirect because policy outcomes depend on so many other elements (e.g. on other member states). Moreover, EPI requires that they work through other Dutch ministries. As a result, the sector directorates rather spend time and resources on their own direct objectives and priorities (and often limited to national activities).

The directorates have some capacities for integration – EU specialists who may scrutinise the relevant Council and Commission proposals – but these are insufficient in number or seniority. One explanation of this lack of input can be found in the little practical support for integration at central level – it has not been identified yet as a topic in the ministry.

One trajectory to upgrade the ministry's capacities for integration would be to reinforce the EU expertise in directorates and to instruct these EU experts to pay particular attention to

integration issues. In addition, top management could become more closely involved in setting integration priorities (e.g. by linking the international affairs unit to the secretary-general).

Valuable and necessary as these steps will be, these D.O. related capacities need not be the first capacities that have to be upgraded. The dominant primary technical/sectoral objectives of directorates makes the D.O.-approach unreliable. Instead, it may be more important to sharpen differences in values between directorates and to improve the coordination between them (see the application of the H.O. model below).

Hence, the analysis of the ministry as a D.O. points to deficiencies in capacities for integration (i.e. lack of EU expertise in directorates and at central level). In addition, it also leads to the conclusion that upgrading the D.O. is not the most urgent option. This conclusion based on organisational analysis is quite a remarkable given the general believe – wishful thinking? – in decentralising responsibilities for EPI to directorates.

The ministry as Horizontal Organisation (H.O.)

The horizontal organisation does not substitute the divisionalised form discussed above but it complements it with horizontal overlays for managing interdependence between divisions. The two models have to be seen as complementary. So far, given the emphasis on the D.O. form, the horizontal coordination capacities have been neglected in the ministry.

The H.O. is characterised by task forces, liaison roles, teams at middle and higher management levels, and integrators (see Table 1). Viewing the ministry through the lens of the H.O. shows that it has limited horizontal coordination capacities due to the emphasis on 'decentralisation of EU responsibilities' which characterises the D.O. (see Table 3 below).

There are some informal contacts between directorates and with the EU affairs unit over new Commission proposals and over policies in other Council areas that would be of interest. However, these discussions do not take place systematically (the director of the EU unit meets some of his colleagues on a monthly basis, but not others). Furthermore, these contacts are mainly limited to topics on the Environment Council – i.e. not relevant for EPI - or remain uncommittal. Due to the focus of sector directorates on their primary objectives, their involvement in task forces for integration issues have been limited and the EU liaison roles of directorates have been too few or too junior to actually put integration on the agenda. Moreover, there was no team at middle or higher level which could look regularly at priorities for integration or which checked progress. In some form does the EU affairs unit assume an integrating role. However, this role is mainly assumed when new proposals are announced in the Committee to look at new Commission proposals and when instructions for COREPER and Council are formulated. This coordinating unit has not been able to actual focus attention of sector experts on EPI priorities in the ministry. However, at present the EU affairs unit is thinking of ways to ask for more attention for environmental integration and for what this means in terms of capacities in the ministry. As summarised in Table 3, there is still considerable room for upgrading the ministries horizontal coordination capacities for managing EPI. Moreover, the Table clearly shows that most coordination capacities are related to the 'events' – i.e. mainly the instruction meetings for COREPER and Council.

Integration is a matter of combining the different value systems of directorates in the environment ministry. It will be difficult to expect officials with own objectives (e.g. national environmental policy objectives) to become active in EU integration objectives. Hence, rather than pursuing the D.O. trajectory, integration can probably more effectively be strengthened by respecting the different values and by understanding the importance of having different values represented within the organisation (instead of trying to create one bleaker overall value system). This will need to be complemented with horizontal coordination mechanisms in order to bring these different values together. The capacity deficiencies in this respect are clear. Quite some

energy will be required from the EU affairs experts to motivate sector experts in the ministry to pick EPI topics.

Table 3 - Horizontal coordination mechanisms for EPI in the environment ministry (NL, 2001): "Event Coordination"

	Commission phases	New Commission Proposal	Presidency Agenda	Working Parties	COREPER	Council Meeting
Informal relations	+\-	+\-		+\-	+	+
contact persons		+\-			+\-	+\-
task forces						
teams						
integrators		+\-			+\-	+\-
decision takers						

The Ministry as Bureaucracy

As discussed, rules and operating procedures (workplanning & reporting mechanisms) can be very useful to make the organisation more transparent and to reduce coordination costs. However, not many rules existed in 1999 regarding the way in which EU policy had to be coordinated either at intra- or interministerial level. As far as they existed, they were hardly unknown. Also workplanning was little formalised as regards selecting priorities on the Commission or Presidency programmes. This situation has not changed since then.

Rules about the coordination of EU affairs should of course be similar at inter- and intra-ministerial level in order to ensure that cooperation between ministries is facilitated. Work-patterns related to where to report, what to do with new Commission proposals, whom to consult, etc. should of course not be restricted to individual ministries. However, the rules have differed between ministries. For example, the environment ministry had rules to inform the network of officials in the ministry as well as in other ministries whereas other ministries only emphasised to inform the own legal department.

Hence, progress in this area seems to be helpful in giving EPI a more systematic underpinning.

B   Analysis – II: Interministerial capacities for integration of environment policy

The interministerial coordination system as D.O.

Even though EU policy is a collective interministerial responsibility, ministries have in practice a high level of decentralised responsibility during the preparations of EU policies. EU policy is coordinated in the end phase when decisions are taken in the Council but the preparatory phases are less transparent. Of course officials are also expected to represent coordinated positions and to inform colleagues who wish to be kept abreast, but the extent of coordination varies between policy fields and depends on whether the experts from the environment ministry makes an effort to be kept involved (passive information right). EU affairs has been largely decentralised to individual ministries. Where coordination is necessary, it will be largely informal – at least in the pre-COREPER phases.

The situation with high levels of individual responsibilities is typical for a D.O. Similarly to the intraministerial management of integration, it is however doubtful whether further development along the path of the D.O. is the appropriate trajectory for responding to integration.

Ministries have their primary objectives and will less inclined to fight always for environmental nuances in objectives. In this sense, integration demands a paradigm shift away from traditional D.O. structures of interministerial relations and towards more horizontal cooperation. This will have major consequences for the position and the powers for MFA (see below).

The interministerial system as H.O.

Dutch interministerial relations are characterised by informal contacts. This kind of coordination is also the main instrument for EPI. Officials have their networks. Also at director level are informal contacts. For example the EU affairs unit from the environment ministry has regular (sometimes monthly or biannual meetings). However, the disadvantages of informal relations for EPI are also clear. There are too many topics and information about new initiatives or new . developments in the Council are not always transparent. Moreover, discussions between officials do not always lead to actual commitment of other ministries. Hence, environment officials feel a need to accompany their colleagues more to working party and Council meetings (provided they have time).

Ministries have had 'liaison roles' – compare the environmental correspondents in the Commission – for some time. However, these mainly serve a purpose in facilitating information flows. For the rest, they have a dual role in acting as environmental ambassadors and as gatekeepers – i.e. also defending the primary values of the sector ministry. They are very useful but not the key to better selection of priorities and to the formulation of mutually shared objectives. Other mechanisms will be needed for this.

Task forces are sometimes used, but often avoided for reasons of efficiency. Each ministry, including the environment ministry, has to be careful with using human resources and leave work to others as much as possible. The problem with this way of working in combination with passive information is that it remains necessary to monitor progress. As a result of the passive information principle, it is very time consuming for environment officials to remain informed and to receive feedback after meetings in Brussels. With active information it would be easier to economise on task forces because the lead ministry would be responsible for ensuring that others remain informed and consulted when necessary.

The teams at middle and higher level for coordinating between ministries are the COREPER and CoCo meetings. As discussed, these are at the end of the process and they have a reactive predisposition. For integration, these offer more a final check to see whether environment has receive sufficient attention in earlier phases (and they do show that EPI has sometime been ignored by other ministries). However, at this stage the is not too much that can still be done about integration.

MFA's work as integrator is fairly routine and weak. It distributes the draft instructions and chairs the meetings in which they are discussed. It does not operate as interministerial problem-recogniser or problem-solver. The strong D.O. tradition left its mark on the interministerial relations when looking at the MFA. This coordinating ministry has limited power and prestige compared to the sectoral ministries. The power position of a ministry depends in part on access to political power, expertise and procedural power. MFA does not score very high on these dimensions. The Minister of Foreign Affairs is highly dependent on expertise and cooperation from other ministries and it does not have power to overrule decisions. As a result its tasks are mainly limited to facilitate the Dutch representation in COREPER and Council meetings.

On the whole, integration seems to be demanding more horizontal coordination mechanisms than are presently available. The present capacities at interministerial level would be quite similar to those presented for the ministry in Table 3.[41]

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[41] The parallel between intra- and interministerial capacities is no coincidence. For details see Schout 1999.

C   Recommendations - From event to issue coordination

The recommendations have to be divided into two parts. We will first look at recommendations related to the phases of decision making (summarised in Table 2). These can be summarised by the need to change from event to issue coordination. Secondly, we will discuss the organisational capacities needed for these recommendations.

These recommendations differ markedly from the ideas that circulated in the environment ministry on how to adapt to integration. Usually, we see national administrations developing plans for responding to new situations on the EU based on incremental changes in existing capacities. These incremental changes therefore largely stay within the existing model – i.e. the D.O. model. The problem with incrementalism is that it leads to 'more of the same' rather than to exploring new options. For example, the ministry was aiming in 1999 especially at reinforcing the Committee to examine new Commission proposals and would have liked it to identify priorities and detecting conflicts in early phases. But the chances of success with this approach would be slim. As discussed above, sectoral ministries have already been discussing and deciding on the technicalities. Moreover, it will be difficult to assess environmental implications of proposals in such a short stretch of time when the meeting of this Committee is organised. Furthermore, it was hoping that other ministries would do more in the field of integration – rather than accepting the need for increasing its own role in defending and 'policing' integration at interministerial level. In essence, the proposals would leave the passive information systems intact and the focus in interministerial coordination would remain on the end phases.

The model in Table 1 points to more fundamental weaknesses and more demanding needs for change and it emphasises that inter- and intra-ministerial solutions have to be considered simultaneously. First we will present the suggested changes in the phases of EU decision-making. Subsequently these changes are presented in terms of organisational capacities (Section D).

From event to issue coordination

It is appeared in the analysis of EPI capacities that new ways of working were demanded. Hence, it would be more efficient and effective to identify a few fundamental weaknesses and improve these, rather than to try to upgrade available existing separately.

The first fundamental problem with EU policy coordination was the focuses on specific steps in the process (event coordination) due to the concentration on the committee to examine new Commission proposals, the COREPER-instructions meeting and the Coordinating Committee for Council instructions (CoCo). As discussed, the emphasis lay on the final down-stream meeting (CoCo). The second major problem was the strong positions of ministries and the heavy input this demanded from the environment ministry (passive information right).

Therefore, rather than trying to continue on the path of 'event' coordination and trying to improve each of the mechanisms as they existed, more structural changes were suggested which are more in line with the requirements of integration:

1   Switch from 'event' and 'passive' information to <u>'issue' coordination and 'active'</u> <u>information</u>. Active information shifts the information workload to the leading ministries.[42] The file managers would have to ensure that they inform interested parties and ensure that they get the necessary feedback before they go ahead in their negotiations with the Commission or in the Council. This would make the work of environmental experts less demanding and it would make

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[42] Such a shift towards active information would require a new set of rules agreed at the highest political and administrative levels (see the bureaucratic coordination mechanisms in table 1). In addition, complaint procedures and sanctions are needed in case information is used 'strategically' by other ministries nevertheless.

it easier to detect conflicts in earlier phases. Rather then having to ask for information and monitor what is being done with feedback, it would be more efficient for the environment ministry if the need to consult and the obligation to ensure that everyone has been heard throughout the process would lie with the lead-ministry.

If information flows more actively, problems will be detected earlier. This opens the way to issue coordination. Rather than postponing problem solving until topics would COREPER, difficulties can now be settled when they arise in earlier phases. If problems could be settled between ministries than the COREPER-instruction meeting and CoCo could even be abolished (see table 2).

2   Active information will lead to many requests from attention from sectoral ministries. This will mean a great strain on the resources in the ministries. It would therefore be advisable for the ministry to determine its own priorities in the sectoral Councils. This demands from the environment ministry that it picks up Commission and the Presidency agendas in order to identify relevant legislation on which the Commission is working and which the Presidency has scheduled for decision taking in the Council. The Presidency agenda would be best place to start. The Commission agenda is a very early step – much preparation still has to be done by the Commission, many topics will not actually be elaborated by the Commission even though already mentioned on its agenda, and many topics will be very technical. Such practical objections are not relevant in relation to the Presidency agenda. In fact, this agenda is the most important step for the ministry to examine because it lists topics that are ripe for decision. If the ministry would look at the agendas in June and December, then it could already arrive at conclusions with the sector ministries and solve problems before the negotiations in the working parties start. If conflicts would appear at this stage then they should be solved as far as necessary right away instead of waiting for the events of COREPER or Council meeting.

Preconditions for issue coordination

The analytic model presented in table 1 is helpful to contemplate the capacities that will be needed to ensure that pressures from active information, issue coordination and Presidency agendas can be handled. In order to pick up agendas and settle decisions earlier when they arrive, the ministry should meet certain conditions. In addition, three conditions have to be created at interministerial level.

The ministry itself should have the capacities to check the Presidency agenda. This is a typical horizontal coordination issue – selecting priorities is generally a collective strategic task. Picking up the Presidency agenda and engaging discussions on priorities requires, firstly, that the *European affairs unit would see it as its task to pick up the agenda* as early as possible, to distribute them to the sector directorates, pre-select topics of relevance in the various policy fields, discuss these with the sector directorates and organise sessions with the sector ministries to discuss already in June and December the priorities and positions for the coming six months. This would mean that EU affairs unit assumes the role of integrator (see horizontal coordination capacities in table 1).

Secondly, a *team* has to be set up in which the directorates are represented and in which Presidency agendas are discussed and in which the priority files for EPI can be earmarked.

Thirdly, *senior management* has to be involved in this team. The involvement of the top is necessary to ensure necessary high level commitment to new ways of working, stimulate integration issues and endorse the selected priorities. Without this stimulant from above, sector directorates are unlikely to pick up integration issues. This means that in fact senior management has to act as *decision taker*: it has to endorse priorities and monitor the actions are undertaken.

Fourthly, to prepare the EPI files, *task forces* will have to set up around the identified priorities in which experts from various parts of the ministry and from other ministries will have to participate.

Also the D.O. is relevant in order to ensure that the H.O. mechanisms will work. The EU affairs unit can not do this on its own but needs to work with the sector directorates. These directorates need to invest the time to look the agenda and to pick up the themes that have been prioritised. If other ministries forward information then they will also expect responses from the environment ministry. In case the sector directorates would not take up integration issues in the earlier phases than the other ministries will quickly loose interest in involving the environment ministry. Getting information is not only be a right but it also implies a duty to look at it and give feedback otherwise active information will never succeed. (For example, some complaints from the environment ministry about not being informed were checked and it appeared that the information was in fact received but the officials involved had not had the time to look at it. Such incidences will prevent lead ministries to involve the environment ministry.)

This way of working –based on the model in table 1 - is now being tested in the ministry in the preparations of the Belgian Presidency (in the second half of 2001).

The horizontal coordination capacities specified in table 1 can also be used to specify the conditions that have to be met at the interministerial level. Earlier detection of priorities and formulation of positions would of course require more and easier exchange of information and problem solving mechanisms at <u>interministerial level</u>. The Dutch interministerial relations have a long tradition of independent policy making which makes integration sometimes hard to achieve. Setting priorities is not a one-off activity but requires continuous monitoring during the negotiations. As discussed, monitoring EPI would be facilitated with active information. Active information and looking in early phases at agendas would of course result in new kinds of conflicts between ministries. In the current context, the lead ministry is also responsible for problem solving. This however does not always lead to satisfactory agreements for the environment ministry. Often a neutral intermediator would be helpful. To upgrade problem capacities, MFA would have to adapt and shift attention from the 'events' of COREPER and Council towards solving problems whenever they would arrive (issue coordination). In fact, if problem solving would shift towards earlier phases, then the current mechanisms of COREPER-instruction and CoCo meetings could be abolished (such committees do not exist in the UK either) and MFA could re-employ its coordinating staff for problem solving whenever one or more ministries would feel such intermediation would be helpful. Every ministry should be able to suggest to shift the coordination responsibility from the sector ministry to MFA.

However, MFA does not want to shift its attention to the earlier phases. It argues that it does not have the time nor the expertise to become involved as problem solver in the early phases. One reason behind MFA's refusal is its fear that it will lose its present position as coordinator in the end phase.

Secondly, active information can not be arranged upon request but might require sanctions as well. In the UK, for example, officials or even the responsible minister, can be reprimanded if information is not send around or if insufficient effort is put into consultation. Extra support from the Prime Minister is therefore also needed because MFA is not in the position to reprimand ministries (due to the equality between ministers). The shadow of the prime minister will stimulate problem solving at interministerial level.

Thirdly, currently problem-solving capacities are not very efficient. It is almost impossible now to find consensus when ministries disagree. To upgrade problem solving it would be necessary to strengthen the position of MFA in stopping endless turf-battles and taking binding decisions. For this purpose, EU problem solving tasks could be placed under the Prime Minister. This could be achieved, as in the UK, by keeping relevant units within MFA but by involving the Cabinet Office when a higher authority is required. Some MFA official were against this options because they regard this a loss of power. However, it is more likely that their authority will increase instead because other ministers will prefer to solve issues with MFA rather than to have to refer issues to the Prime Minister (except of course when real political issues are at stake).

With this way of working information exchange has been upgraded (active information) and will the role of MFA as integrator be strengthened because it is backed-up by the shadow of the Prime-Minister.

So far the recommendations focussed on the horizontal coordination capacities at inter- and at intra-ministerial level (the H.O. model). When these mechanisms start to gain ground, they will put pressure on the directorates and the other ministries to upgrade their own mechanisms for EPI (the D.O. model). These developments are now actually taking place in the Dutch environment ministry. Changes in the bureaucratic model have been postponed. It appeared during the study that it would be hard to find agreement for changing rules and formalising new patterns of decision making. Even though discussions on proper mechanisms and procedures could be very useful for underlining the importance of EPI for other parts of the ministry, it was felt that this would result in too much opposition. This does not mean that bureaucratic coordination mechanisms are not important. It is however not unusual that rules and formalisation of tasks are often the final step in a change process: they make explicit the new ways of working which have already grown informally. The other way around may be impossible due to bureaucratic opposition.

6   Conclusions

Environment integration policy (EPI) is an interesting subject to study from a number of perspectives. First of all, EPI is a relatively new direction in EU policy and therefore raises the question of what administrative capacities are needed. Throughout the EU integration process, this kind of question has received little attention. Also the administrative implications of EPI have been largely ignored so that it is no surprise that previous approaches to implement EPI have not been very successful. As far as officials involved have paid attention to organisational capacities for EPI, it has been in the form of emphasising the individual responsibilities of DGs in the Commission, of individual ministries in the member states and of directorates in ministries ('ownership of environmental objectives' or 'decentralisation' of EPI). They try to limit horizontal responsibilities and do not want to end up 'policing' other ministries or DGs.

To study the organisational consequences of integration we developed a model for examining coordination capacities in complex organisations (table 1). This model has been applied to analyse structural changes in the ministry but has also been the basis for indicating capacities for EPI that could be created. The model in table 1 shows three complementary organisational configurations which are particularly relevant to this study, i.e. the divisionalised organisation, the bureaucracy and the horizontal organisation. In this way we are able to combine the bureaucratic politics and the organisational process views on organisations.

As argued, the divisionalised organisational form has been the preferred structure for managing EPI. This study leads to strong doubts about the suitability of the divisionalised model. The experts in the sector directorates of the environment ministry – as well as the experts in other ministries - have their own objectives and are already overburdened with tasks. Hence, these officials regard EPI as less important compared to the officials from the EU affairs unit. They regard it as cumbersome and inefficient to try to influence developments in other Council fora because they have to work with and through other ministries. EPI therefore requires close horizontal coordination with the EU affairs unit in order to counterbalance the primary objectives of sector experts. Apparently, integration demands pressure from the environment ministry (in the interministerial context) and from the EU affairs coordinators (within the environment ministry). For this purpose, well designed coordination capacities are required within and between ministries. This poses major organisational challenges that go beyond the idea of running EPI on the basis of independent ministries or directorates.

Horizontal coordination capacities (task forces, teams, coordinating roles of environment units) seem to be particularly required. The application of this model has pointed to important capacity deficits at inter- and intraministerial level. The ministry for the environment needs to redefine the roles of the EU affairs unit and to strengthen horizontal coordination mechanisms. Also at the interministerial level would major changes be helpful to facilitate more active exchange of information, collective setting of priorities and earlier problem detection and problem solving. Hence, EPI also has major implications for the role of the Ministry for Foreign Affairs and for the role of the Prime Ministers Office. This not underlines that the environment ministry has to manage an organisational change process internally but also at the interministerial level.

In sum, the administrative implications of the policy changes that have been introduced with EPI have been misconceived and greatly underestimated.

Secondly, the study serves a purpose in clarifying the relevance of bureaucratic politics versus organisational design as the basis for arriving at coordination within and between ministries. The gaps in organisational design identified above underline the need to see power games and organisational design issues as complementary. Bureaucratic politics models have been presented as particularly pertaining to EU decision making because the complexity would make organisational process models obsolete. This study leads to the opposite conclusions: EU environment policy is too complex and involves too many actors to be able to rely on bureaucratic politics only. Additional mechanisms are needed for making the organisation transparent, distributing information, creating commitment and problem solving. Organisational capacities are needed both to enhance bureaucratic politics (by making increasing transparency and reducing coordination costs) as well as to prevent that politics result in stalemates and turf battles (by creating problem solving mechanisms).

Thirdly, this study can be seen as a case study of the organisational preconditions for governing complex EU policy processes. It shows that governance is not a matter of 'self-organising' but demands careful attention for the capacities that are needed to manage the interdependence *within* and *between* parts of the network. EPI is a topic that only succeeds if EU and national levels work together in each phase of the policy process. The policy network encompasses, among others, DGs in the Commission, ministries and directorates within ministries. Each of the components of the network has to work with and through the other and has to be equipped to pick up Presidency agendas, select priorities, process information continuously and be engaged in problem solving. In this respect, EPI is a good example of the kind of design issues involved in EU governance.

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