Sebastian Oberthür and Marc Pallemaerts, eds.


*The New Climate Policies of the European Union*, edited by Sebastian Oberthür and Marc Pallemaerts, offers a thorough assessment of climate policy-making by the European Union in the course of twelve chapters. The book focuses on the 2009 Climate and Energy Package, comprising directives on the flagship EU Emissions Trading System; renewable energy; carbon capture and storage; the effort-sharing decision governing EU member states’ national greenhouse gas emission-reduction targets in the non-ETS sectors in 2013-2020; and a regulation on CO₂ emissions from passenger cars. In their introduction, Oberthür and Pallemaerts state that recent EU climate legislation has reinforced the EU’s international leadership on climate change. Most other chapters in the book reinforce this statement.

Overall, Oberthür and Pallemaerts have produced a well-edited and coherent volume, in which the sections that deal with the Climate and Energy Package, in particular, are likely to be of lasting relevance. The breadth of the topics covered does not compromise the sometimes impressive depth of discussion on how that package came to be proposed, in terms of both historical context and insider accounts of how the ‘trialogue’ talks under the French EU Presidency secured agreement on the Package in December 2008.

The proximity of many of the contributors to intra-governmental negotiations and internal debates at Commission level is both a strength and a weakness of the book. At its best, in the highly informative Chapter 4, by Lacasta, Oberthür, Santos, and Barata, on the evolution of the effort-sharing decision, the book offers insights into how intergovernmental divergences (such as the Hungarian-led demand to preserve a 1990 baseline that allows Eastern European states to take little action) yielded concessions in other parts of the 2009 Package. In other parts of the collection, however, the contributors’ proximity to the policy-making process can lead to accounts that offer more by way of justification of EU policy than analysis of its impacts as, for example, in Chapter 5, on the renewable-energy directive, by Tom Howes.

The overwhelmingly favourable tone is set by the editors’ own historical overview of the EU’s internal and external climate polices, the book’s longest chapter. At the agenda-setting phase in the late 1980s and early 1990s, they suggest, the EU was already projecting itself as a climate leader in the international arena, even as the European Council blocked implementation at the internal level. This gap continued to widen until the 2001 Marrakesh Accords which, amongst other things, set out the legal basis for implementing the
Kyoto Protocol flexibility mechanisms. Since then, the gap has narrowed—from the adoption of the ‘centrepiece’ ETS, through to the ‘improved and extended’ version of the scheme adopted in 2009, and from there to the Climate and Energy Package that the authors feel goes a long way towards closing the gap between ‘international words’ and ‘domestic deeds.’ Most notably, that package marks a significant harmonization and centralization of climate policy-making at the EU level—completing a cycle that began, inauspiciously, with the European Commission’s 1992 attempt to impose an EU-wide carbon tax, which failed due to resistance (led by the UK) to allowing any direct fiscal role for Brussels. While acknowledging that climate-policy inadequacies remain, Oberthür and Pallemaerts treat these as a product of insufficient climate targets, rather than questioning the choice of instruments (notably emission trading) that the bloc is using to address the climate problem in the first place.

Skjærseth and Wettestad analyse the ETS in more detail in Chapter 3, seeking explanations for the transition from a decentralized ‘old ETS’ built around fragmented National Allocation Plans to a ‘new’ more centralized ETS. Under the revised emission trading scheme agreed in December 2008, an EU-wide cap has been established for greenhouse gas emissions in the ETS sectors alongside ‘fully-harmonized rules’. The auctioning of emission allowances has emerged as the ‘main principle for allocation’ (albeit with significant delays and free allocation still available for around 75 per cent of manufacturing). Limits have also been placed on the use of international offsets arising from the Kyoto Protocol’s CDM and JI. The authors find that various factors account for this transition, including inter-state bargaining and multi-level governance (involving supra-national actors, notably the Commission, and non-state actors, such as industry lobbyists and NGOs), and to a lesser extent the external influence of ‘international regimes’ (UNFCCC negotiations) as a constraint or opportunity to drive domestic policy.

This approach yields some useful insights, in particular in identifying the trade-offs sought in the final, inter-state negotiations leading to agreement on the revised ETS Directive, which saw Poland push through measures to protect its coal-fired power stations, Germany secure free emission allowances for energy-intensive industries, and Italy concede support for the new directive in exchange of more lax rules on emissions from small passenger cars.

By focusing on the transition to a ‘new ETS’ in 2013-2020, however, the authors fail to account for its continuing shortcomings. This is, perhaps, forgivable if seen through their somewhat contorted view that the first trading period in 2005-2007 ‘proved’ the ETS could work even though it ‘did not function very well’ (the price of permits collapsed to near zero), but it obscures