

Lectio praecursoria: Environmental Policy Evaluation Concepts Exemplified in the Context of the European Unions Strategy for Better Regulation

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What brings us here today is evaluation. We are actually here today because of evaluation of two different kinds. First, we are here because this event is the last part of the evaluation of my doctoral thesis. Second, we are here because the content of my thesis is evaluation, or more precisely environmental policy evaluation.

If we think briefly first about the evaluation of doctoral dissertations at universities, we see a long and highly institutionalised tradition based on a specific method - peer review and several consecutive steps - evaluation by the supervising professor, the pre-examiners' written statements and finally the public examination in which we now find ourselves. Let me state in summary that the concepts and practices of thesis evaluation are well established.

For the subject of my thesis - environmental policy evaluation - the situation is very different. Its history is brief, in Finland as well as internationally. Although in many countries policy evaluation already began in the 1960s it only reached environmental policy in the 1990s. The evaluation of environmental policies has been largely ad hoc, and it has often been characterised by confusion, even regarding the basic terminology, or as stated by Knaap and Kim (1998, 349):

"Whereas the state of the art in program evaluation is in flux, the art of environmental program evaluation has no state at all. It has only artists."

This is the background against which my thesis should be seen. Not as an attack on the artists, but as a contribution to the process through which more established concepts and practices for environmental policy evaluation can be formed.

The concepts for environmental policy evaluation covered in my thesis are discussed in relation to some features of environmental issues that tend to make both environmental policy and its evaluation difficult. Three such features, exemplified by climate change are:

- the physical processes behind climate change are very complex and uncertain while economic, social and political aspects add further to that complexity;
- long time frames, even if we could stop to emit carbon dioxide (CO₂) it may persist up to 200 years in the atmosphere;
- causes as well as actions against climate change are largely local, for example CO₂ emissions from cars in Helsinki or Tampere, but the effects of climate change will be global, although very unequally distributed.

Policy evaluation is a practical activity. It would therefore not make sense to develop and discuss evaluation concepts just theoretically. My thesis builds on the practice of actually evaluating policies. That is, experiences from policy evaluations in which my colleagues and I have been involved: two evaluations where we have evaluated Finnish environmental permits and one evaluation of the integration of environmental aims into Finnish technology policies.

I will now exemplify the concepts put forward in the thesis as well as some insights gained through the practice of evaluation by discussing them in relation to the European Union strategy for better regulation.

The EU strategy for better regulation is largely on the political agenda as a means to improve

competitiveness and the conditions for more growth and jobs, that is, it is part of the efforts to implement the Lisbon strategy. However, when Günter Verheugen, Vice-President of the European Commission, on October 25th 2005 presented the strategy to simplify EU regulations he also justified it with the need, and I quote, "to win back the confidence of our citizens".

The agenda for better regulation is a broad one; I will only address two aspects, that is, simplification, and national utilization of flexibility.

In its simplification strategy the commission proposes "to scrap, modify or codify more than 1,400 legal acts across all policy areas".

- The aim of utilizing of national flexibility is to make EU legislation more cost-effective through a more considered use of the flexibility included in the EU legislation in the transposition into national law.

What could the role of the evaluation concepts put forward in my thesis be for the better regulation agenda? I will give some examples, concept by concept.

Let us start with side-effect evaluation. It is based on the experience that public policies very seldom turns out exactly as expected. Or in the words of Karl Popper (2003, 104): "although we may learn to foresee many of the unintended consequences of our actions ... there will always be many we did not foresee."

One should therefore not only assess how EU regulations have achieved their stated goals but also their side-effects. In a way the process of better regulation is largely built on the idea that regulations have undesired side-effects on competitiveness and "the conditions for growth and jobs". While this may well be the case for many regulations it should also be acknowledged that there are cases in which the side-effects of the regulations on competitiveness, growth and jobs have actually been positive. Utilising a side-effect evaluation perspective would first result in testing this assumption and second expanding the realm of potentially important side-effects.

Using the second evaluation concept of my thesis that is, applying multi-criteria would mean that the basis for selecting which regulations to "to scrap, modify or codify" and how to modify them would be based on a broader consideration than only their effectiveness, that is how well they

achieve their objectives, or cost-effectiveness.

While considering regulatory options, such criteria as transparency and participatory rights should also be taken into account. When emphasising national regulatory flexibility, which may well be very important, this should be combined with the considerations of predictability and equity.

As our studies have shown, it is often very important both for companies' development of new technologies and for the diffusion of these technologies that regulated companies can predict future requirements. Large national flexibility in the implementation of EU regulation may seriously limit this predictability, as has also been shown in the studies by Petrus Kautto and Anna Kärnä (e.g. 2006) of the WEEE directive for electronics companies such as Nokia.

Utilising multi-criteria implies that a change in the light of some criteria, for example flexibility, might look very good, while in the light of some other criteria, such as predictability it might look bad. It is of course then a value judgment how the criteria are weighted.

The third concept is intervention theories. Intervention theories are representations of the assumptions an intervention builds upon. They could be especially important for EU regulation. Constructing and comparing intervention theories by different parties, such as the Commission, national ministries, regional administrations and regulated companies or citizens would likely reveal interesting differences. However, reconstructing the intervention theories based on empirical documentation of actual implementation experiences would also be useful.

For example, the Directive concerning Integrated Pollution Prevention and Control and the Finnish Environment Protection Act, through which it is implemented, has largely been based on the assumption that the main target group is large scale industrial factories. Our evaluation, however, showed that in Finland the absolutely largest category of permits during the two first years was permits for farms (Mickwitz et al. 2003). Utilising this information to reformulate the assumptions about how the directive functions would be as important in Brussels as it is in Helsinki or in Vaasa.

The fourth and final evaluation concept discussed in my thesis is triangulation. Triangulation is the idea that benefit can be

derived from the interactive and simultaneous use of several types of data, methods, perspectives and evaluators.

Triangulation would be especially important in the context of evaluating EU regulation. On the one hand policy debates at the EU level require information about all Member States, hence quantitative data together with suitable analysis must be used. At the same time, is it typical that many important aspects can only be revealed and analysed in a particular local context, considering how a EU regulation has been implemented and how it has affected actual practices and been affected by already existing practices.

In choosing to present some glimpses of how the analysed evaluation concepts can be used at the EU level does not reduce their value and relevance at the national, regional or local levels. Use at the national level is exemplified by the evaluations referred to in the dissertation. Some of the concepts have been used on a regional scale in our work in the ECOREG project in Kymenlaakso (e.g. Rosenström et al. 2006). All the concepts could be very relevant locally if, for example, Stockholm were to decide to evaluate its system of environmentally differentiated harbour fees. The real future challenge would, however, be to develop all these levels of evaluation so as to genuinely serve the development of multi-level governance.

Why does all this matter? I will answer the question by quoting the evaluation theorist Michael Scriven (1991, 43): "Doing evaluation and doing it well matters in pragmatic terms because bad products and services costs lives and health, destroy the quality of life, and waste the resources of those who cannot afford waste." The same is absolutely the case for bad environmental policies as well as bad regulatory reform. Thus the concepts and practice of environmental policy evaluation do indeed matter.

Now it is time to move from the area where evaluation concepts and practices are not so well established to the area where they are traditional and institutionalised. Therefore: I ask you, Professor Meadowcroft, as opponent appointed by the Faculty of Economics and Administration, to make whatever comments you deem my thesis to call for.

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