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Preference change in international organisations

The preference change of the European Commission regarding the introduction of an EU-wide Emissions Trading System

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ABSTRACT

The behaviour of international organizations has been increasingly focused on in the last years. Still, the question of how organisations form their preferences and when they might change them, has not been addressed in great detail so far. There exist a lack of empirical studies on preference changes in international organizations and under which circumstances international organizations' staff reformulates their preferences over specific outcomes. The paper therefore addresses the question why organizations change their preferences and which factors can provoke such a change. On the basis of a case study on the European Commission this paper will show that both internal and external factors have to be included when analysing preference changes of supranational actors. Specifically, the influence of an administrative culture plays a role on preference changes in international organizations.

1. INTRODUCTION

Since the beginning of the nineties, the research about international organisations (IO) has increased enormously. Phenomena like behavioural change and policy change of state actors in international organisations have been in the focus of studies. Nevertheless, scholars still have problems with explaining IO behaviour and their impact on outcomes. Especially complex issues like the preference change of international organisations are still understudied and lack empirical research. Some research about preference changes in international organisations has already been made on the World Bank (Nielson et al: 2006), the International Monetary Fund (Barnett/Finnemore: 2004) and to some extent the institutions of the European Union (Cini: 2000, 2005; Dimitrakopoulos und Kassim: 2005, Gravier/Triga ((ed.): 2005) but there still lack empirical studies that provide theory tests on the developed theories on preference change. The purpose of this study therefore is to contribute to the research on preference change in international organisations by offering a detailed empirical analysis on a preference change in an international organisation on the example of a European Union (EU) institution. Recent studies on supranational actors in the EU have already dealt with those questions. Nevertheless, there still lack detailed studies on processes within those institutions, especially the European Commission (Trondal: 2004: 69; Dimitrakopoulos und Kassim: 2005: 180f.). Therefore, this study will try to enhance knowledge about preference formation processes in the European Commission by analysing a preference change process within the European Commission in detail. I have chosen a case of preference change in the European Commission that has been described unanimously as 'remarkable', (Christiansen: 2004: 27), and a "U-turn" (Christiansen/Wettstad: 2003: 4): the preference change of the European Commission regarding the implementation of an Emissions Trading System.

The question how and why the EU Emissions Trading System was implemented at all has already provoked a considerable amount of economic and political science studies. This studies analysed especially the fact how the European Commission persuaded and convinced the member states of the necessity to introduce such a mechanism (see also Cass: 2005). Other studies examined the role of the Commission as a political entrepreneur of the decision-making process (Wettestad: 2005) while other analyses tried to identify the role of learning processes within the European Union on that subject (Damro/Méndez: 2003; Christiansen/Wettestad: 2003). Nevertheless, the question remains unanswered which factors caused the preference change of the Commission and thus shaped the prerequisites for a proposal. Christiansen and Wettestad underlined that a ‘synergistic and multilevel mix` characterised the preference change of the EU as a whole (2003: 6). Wettestad (2005) takes a closer look and emphasizes that both internal and external factors on the global and European level influenced the decision of the Commission the put forward a law proposal. Nevertheless, it still remains unclear which factors exactly influenced the development and how it happened. The research project will therefore try to answer the question why the European Commission changed its preferences regarding the introduction of an EU Emissions Trading System.

2. STATE OF THE ART

Regime studies have conceptualised international organisations as structures which may change state preferences and which may provide information in order to facilitate intergovernmental cooperation (see Hasenclever et al.: 1997; Zangl: 2003). Nevertheless, these concepts are not able to deal with puzzles such as preference change and institutional change of the organisations themselves.

In recent studies, international organisations are treated as autonomous actors, which are able to exercise influence through agenda setting, policy formulation and policy regulation.¹ As in rationalist oriented institutionalism theories, organisations are conceptualised as strategic oriented actors (agents), which develop their own interests and try to defend them against the state actors (principals).²

¹ Pollack (2003), Hawkins et al. (2006)

² Hawkins et al. (2006)

Sociological oriented studies speak of the socialisation of actors through international organisations: according to them, institutions have a 'social influence' (Johnston: 2001: 24ff). Neo-institutionalists emphasize the mutual influence of actors and institutions (March und Olsen: 1984: 738). Finnemore and Sikkink define international organisations as 'agents of socialization' that influence state actors to implement new laws and to comply with new standards (1998: 902). While defining international organizations as independent actors, it becomes possible to analyse the preferences and preference change of international organizations and their institutions.

Still, as mentioned above, there is a lack of empirical studies on preference change of complex international organisations. Recent studies try to fill this research gap by analysing the designs of international organisations and behavioural change of those organisations (among others Hawkins et al.: 2006; Pollack: 2003; Nielson et al.: 2006; Nielson/Tierney: 2006; Jupille et al.: 2003).

This research requires a clear concept of the IO's autonomy. Within the studies European Integration, institutionalism theories try to solve this problem. According to Tallberg, Institutionalism theories give the possibility to analyse supranational autonomy across time, institutions and policy fields (Tallberg: 2000: 844). Gehring (2002) defines international organisations as 'complex international organisations', which differ regarding to their specific decision-making structures. Complex international institutions can thus be differentiated regarding to the degree of their differentiated decision-making processes (2002: 275ff). Thus, the European Union is one of a lot of specific international organisations which a very differentiated decision-making procedure and a high degree of institutional autonomy (Gehring: 2002: 283). The European Union as organisation includes different institutions like the European Commission, the Council of Ministers, the European Parliament and the European Court of Justice, which present a high degree of autonomy and are able to develop their own independent interests (Peterson/Shackleton: 2002: 9). In the following, this analysis will use the definition of Gehring as it allows to conceptualise the different EU institutions as relatively autonomous actors with their own interests and preferences.

3. PREFERENCE FORMATION

Preference formation and preference change are generally part of the constructivist domain as rationalist theory models like the liberal institutionalism and interest-based regime theories work with fixed and exogenous preferences of all actors (Aspinwall und Schneider: 2000: 7;

Jupille und Caporaso: 1999: 432, see also Moravcsik: 1997: 545). The sociological institutionalism believes in endogenous preferences, which are not independent from their institutional environment. (Jupille/Caporaso: *ibid.*). Recent studies about organisations even emphasize the necessity of including both internal and external factors in the analysis (Dimitrakopoulos und Kassim: 2005; Nugent/Saurugger: 2002).

Amongst those constructivist institutionalism studies which conceptualise international organisations as supranational actors with their own endogenous interests (among others Gehring: 2002; Nielson et al.: 2006; Tallberg: 2000; Barnett/Finnemore: 1999, 2004), the variable organizational culture is identified as decisive for preference formation about reforms in those organisations (Nielson et al.: 2006; Leiteritz: 2005; Park: 2005; Graham and Zelikow: 1999). Studies about preference formation and preference change in general require a clear definition of preferences and the conditions under which they might change.

3.1 DEFINITION OF PREFERENCES

Preferences are often equivalent to interests within the political science literature. Wildavsky and Jachtenfuchs underline that preferences are often defined on the basis of indifferent interests (Wildavsky: 1987: 4; Jachtenfuchs: 1999: 333ff). Druckman and Lupia (2000: 2) define preferences as „a comparative evaluation of (i.e., a ranking over) a set of objects” (also Landwehr: 2005: 43). Thus, preference formation is a process that explains how beliefs and evaluation of different outcomes correlate with how actors feel and which experiences they have made (Druckman/Lupia: 2000: 4).

Often, preferences and strategies are opposed to each other: „(...) an actor *prefers* some outcomes to others and pursues a *strategy* to achieve its most preferred possible outcome“ (Frieden: 1999: 41). This means that preferences can be divided into different types of preferences: *preferences over outcomes* and *preferences over strategies*³ (see Frieden: 1999: 46f; Jupille/Caporaso: 1999: 432). Landwehr presents a typology of preferences where deeper lying super preferences remain relatively stable while the main preferences can be changed by specific processes (2005: 48). This analysis works with definition of Druckman and Lupia (2000: 2) who define preferences as a cognitive marker that reminds people how to interact with various aspects of their environment.

³ also *policy preferences*, as actors have preferences about a specific outcome which implicates a specific method, strategy or policy (see Frieden: 1999: 46f).

3.2 DEFINITION OF PREFERENCE CHANGE

According to Druckman and Lupia, two forms of preference change can be observed: on the one hand, preferences can change between object A and B, for example through new information, new ideas etc. On the other hand, actors can come to conclusion that objects they have classified as P in reality have to be divided into P₁ and P₂ (2000: 6). In both cases a comparative evaluation between those two objects will be made: new assumptions about them will be formed (ibid.). Nevertheless, these assumptions are based on assumptions and preferences that were made about object with which actors were confronted in the past (ibid.). Therefore, according to them, preference formation and preference change cannot be separated as new preferences are built on existing preferences (Druckman und Lupia: 2000: 7). This analysis will therefore do not make a conceptual difference between preference formation and preference change in order to analyse the preference change of the European Commission. In the next part, an overview of already existent studies about the European Commission and gaps in the research about preference changes in international organisations will be shown.

4. PREFERENCE CHANGE IN THE EUROPEAN COMMISSION

Empirical studies about preference studies in international organisations are still in the beginning. In the European Integration research programme a few studies about preference formation processes in the European Commission have already been made. Simon Hug (2003) has focussed on preference formation of supranational actors using the example of rationalist-constructivist preference change models. While preference change is usually part of the constructivist domain, Hug tries to show that rationalist research designs are able to study endogenous preferences as well. Nevertheless, Hug does not make clear which factors can generally influence preference formation processes of supranational actors and how they influence the preferences of the Commission in contrast to the member states. Such an analysis is problematic when complex issues have to be covered that cannot be explained by just referring to strategic behavioural processes of the European Commission in opposition to the member states (like the preference change of the Commission regarding the emissions trading mechanism).

This problem can be solved by using sociological institutionalism theories that analyse the influences of preference formation of supranational actors according to their institutional structure by taking into account internal and external factors (see Nielson et al.: 2006; Dimitrakopoulos/Kassim: 2005). Dimitrakopoulos and Kassim characterise the Commission

as an 'internal differentiated arena' whose preferences are influenced because of complex interaction processes within the Commission, its environment, the Commission's bureaucratic culture and structural factors (Dimitrakopoulos/Kassim: 2005: 181). Laura Cram describes the Commission as a 'multi-organization' that is dominated by different work practices within the different General Directions (GD) (1994: 196ff). This fragmentation and differentiation of the European Commission can be found in different bureaucratic cultures, which means different forms of inclusion of stakeholders as well as divergent interests and values (Knill: 2003: 110). According to Cini, the development of different administrative styles can be led back to the fact that the different GDs watch their policy areas in order to secure their own influence (Cini: 2000: 74). Recent studies about the preference change in the European Commission thus show that both internal and external changes have to be concerned. Therefore, neo-institutionalism theories emphasize that the administrative culture is one factor among several ones that can have influence on the preference change of supranational actors (Cini: 2000: 73). Nevertheless, detailed empirical studies that prove these assumptions still lack (ibid: 41). Moreover, Dimitrakopoulos and Kassim argue that preference formation and preference change in organisations are linked with the specific issue on which the preferences are built (Dimitrakopoulos/Kassim: 2005: 183). This means for this study that the issue on which preferences are built (in this case the reform or regulative climate policy mechanisms) have to be included as well as the specific context structures in which those preferences are formed.

5. PREFERENCE CHANGE ABOUT ORGANISATIONAL REFORM

Studies about organisational reforms in international organisations and the European are increasingly within the focus of research (see Nielson et al.: 2006; Metcalfe: 2005; Nugent/Saurugger: 2002). Nevertheless, the policy area of preference formations about reforms like the regulatory reform of the European Climate Policy has not been studied satisfactorily. Studies about the concrete mechanisms and factors the cause a preference change about changes in the EU regulatory model still lack (see Holzinger/Knill: 2003: 8). March and Olsen (1998) analyse how learning processes influence the behaviour of organisations. Schein (1992) studies the role of norms, values and paradigms as factors of organisational behaviour.

Recent studies in the tradition of constructivism try to comprise the institutional characteristics of international organisations by analysing which role administrative cultures play on the change of organizational structures and thus the preferences of staff members within those organizations. (Nielson et al.: 2006; Leiteritz: 2005; Allison/Zelikow: 1999;

Legro: 1996). Nielson et al. (2006: 107) and Leiteritz (2005: 2) underline especially the influence of entrepreneurs on the preference formation processes of actors about reform processes. Nielson et al. (2006: 110) show that bureaucratic cultures may have both constraining and enabling causes on the preferences of staff members. Thus, preference change about reforms within a specific policy area depends often on the dynamics of internal administrative cultures and specific external conditions (see Barnett/Finnemore: 1999: 725).

5. 1 PREFERENCE CHANGE ABOUT REFORMS OF REGULATORY POLICY IN EU ENVIRONMENTAL POLICY

According to the arguments above, the analysis of the preference change in EU institutions about the reform of environmental regulatory policy requires the consideration of both internal and external factors.

Studies about the development of environmental policy in the last years show changes in the basic approach of the European Commission. The Santer Commission introduced intersectoral groups that include the responsible General Directions. Nevertheless, Nielson et al. (2006) and Leiteritz (2005) do not consider external factors in their study and are therefore not able to make any assumptions about the influence of other factors on the research subject. In contrast, Holzinger and Knill (2003) have analysed the influence of both regulatory ideas and context structures on the reform of regulatory policy in the EU. As they do not include the institutional characteristics of the EU institutions in their governance study, they are only able to offer a rather unsatisfactory conclusion about the causes of reform. Their research design leaves open the question which role knowledge structures, the relationships between the different DGs and the relations with other EU institutions played.

These arguments show that although that although sociological institutionalism theories emphasize that both internal and external influences on preference changes of a supranational actors should be included into the analysis, there do not exist many proposals of which combination of internal and external factors are useful. This study needs therefore a combination of both internal and external factors of preference change that can be combined in one theory and reliable hypotheses can be made on. The analysis will therefore offer a combination of external and internal factors that influence preference change in organisations and will test whether the hypotheses drawn from these assumptions can be used for further research by testing it on an empirical study.

6. DEFINITION BUREAUCRATIC CULTURE

The concept of the organizational, bureaucratic or administrative culture has been developed into an important research area during the second half of the eighties. Within the political science landscape, the concept of bureaucratic culture is defined differently. Originally organizational culture is shaped by values, norms and beliefs of the staff members that is internalised by them and therefore shapes the behaviour of the whole organisation (see also Schein: 1992). According to Wallerath (2001:13), the administrative culture is part of the *political culture*. The definitions found in the literature can be divided in two main directions: an Anglo-Saxon concept uses a wide definition whereby organisation *means* culture „organisation = culture“ (see Wallerath: 2001: 14). This wide ranging concept is not useful for empirical analysis as influence of administrative culture of changes in organisations cannot be made visible. A second definition sees administrative culture as a mental programme and one organisational characteristic among others like decision-making processes and behaviour (see among others Wallerath: 2001). In his famous book „Organizational Culture and Leadership“, Edgar H. Schein (1992) defines organizational culture for example as a cluster of basics that helps solving problems of external and internal orientation and integration and that is binding for all staff members. According to Barnett and Finnemore, specialisation processes within an organisation can lead to the development of subcultures which can cause internal segmentation processes (Barnett/Finnemore: 1999: 423). This has to be taken into account when different departments work on initiatives together. „Different segments of the organization may develop different ways of making sense of the world, experience different local environments, and receive different stimuli from outside; they may also be populated by different mixes of professions or shaped by different historical experiences“ (Barnett/Finnemore: 1999: 724). This can cause different preferences among different departments on how to develop common proposals (see also Barnett/Finnemore: *ibid.*).

Already existent studies about complex international organisation like the European Union show that the concept of `bureaucratic culture` needs to be clearly defined. Let Metcalfe offers a rather complex definition about what bureaucratic culture includes:

- it includes values and goals how organisational activities should be judged
- it describes the roles of individuals of an organisation and how their relationship is organised within the organisation

- it defines how organisational behaviour is controlled through internal and external accountability structures
- it defines the relationships of the organisation with its environment and how interests of stakeholders and the responsibility according to the public are taken into account (Metcalf: 2005: 24).

7. THEORIES ABOUT PREFERENCE CHANGE IN INTERNATIONAL ORGANISATIONS

The European Union as a research object challenges the political science research community because of several factors. The complex architecture of the EU and its unique institution and decision-making structure have to be taken into account. Scientists try to solve the problem by using institutionalism theories. They offer the possibility to analyse supranational autonomy across time, institutions and policy areas (Tallberg: 2000: 844). Jupille and Caporaso see the possibility to create a connection between theories of international relations and theories of European integration (Jupille/Caporaso: 1999: 431). Whereas rationalist institutionalism theories like the liberal institutionalism take preferences as fixed and given, sociological or constructivist institutionalism theories treat preferences endogenously (Jupille/Caporaso 1999: 433).

They show that international organisations may develop their own bureaucratic or administrative cultures (see Barnett/Finnemore: 1999). They emphasize the autonomy of supranational institutions which can influence decision-making processes via agenda-setting, problem formulation, entrepreneurship and control mechanisms (see Tallberg: 2000: 844; Pollack 2003). International institutions are able to develop their own specific interests which are independent from any member states (Gehring: 2002: 231).

7.1 RATIONALIST INSTITUTIONALISM

According to all rationalist theory models, state actors follow a 'logic of consequentiality' (March/Olsen 1998) on the basis of fixed interests and cost-benefit calculations (among others Mayer: 2006: 117f.).⁴ Most rationalists agree to egoistic preferences of actors on which their instrumental and strategic behaviour is based (Mayer: 2006; Risse: 2003). Thereby, the preferences of actors can differ: they can either be oriented towards outcomes (*preferences over outcomes*) or towards strategies (*preferences over policies or actions*) (see Mayer: 2006: 118). A difference can be found in the theories of Zürn and Simon who refer to a 'subjective

⁴ The rationalist understanding of actor behaviour comes originally from the economic sciences. That is why individuals are supposed to act like a *homo oeconomicus* (Kirchgässner 1991).

understanding of rationality` or to `bounded rationality` (for that see Simon: 1976). The bounded rationality believes in preferences that are formed within a `social reference frame` (see Metcalfe: 2005). Nevertheless, the preferences of actors are still part of the *Explanans* and not of the *Explanandum*, (see also. Mayer: 2006: 120).

Thus, preferences of actors are part of the dependent variable in rationalist theory models. This `black box` plays a major role in constructivist theory models. For the analysis of preference change in international organisations, a constructivist induced theory model is needed. Rationalists call these a `division of work` as preferences are explained by sociological or constructivist models while rationalist theories try to explain the outcomes of behaviour (Checkel/Zürn: 2005: 1058, 1065).

7. 2 SOCIOLOGICAL INSTITUTIONALISM

The sociological institutionalism has been inspired by constructivist ideas. According to Risse „(...) it is probably most useful to describe constructivism as based on a social ontology which insists that human agents do not exist independently from their social environment and its collectively shared systems of meanings (`culture` in a broad sense)“ (2004: 160). According to this, actors and structures constitute each other mutually (see Risse: 2004: 161). Sociological Institutionalism theories believe in a `logic of appropriateness` (March/Olsen 1998) whereby actors decide for what they think is `appropriate`.

One difficulty that is held against sociological institutionalism theories is that the measurable impact of culture, cognitive factors and norms is difficult to divide from the impact of constraining structures (see also Aspinwall/Schneider: 2000: 10). Therefore, different models of sociological institutionalism have developed that emphasize the relationship between actors and structures differently. Sociological institutionalism theories offer also different explanations for the formation and redefinition of preferences. On the one hand, path dependency can play a role. When the contexts change over time, preferences may change as well under the impression of what happened in the past (Aspinwall/Schneider: 2000: 8). Thus, institutions and actors are bound together: the actions of actors cannot be explained without reference to their institutional environment (ibid: 9). In connection with Giddens' structuralism this means that actors are influenced by structures but at the same time they can reproduce structures through their social actions.

Barnett and Finnemore underline the autonomy of international organisations regarding their 'stakeholders' as well as the formation of their own preferences and some authority concerning other actors (Barnett/Finnemore: 2004). According to them, international organisations are deeply rooted in their organizational or bureaucratic culture⁵ which leads to a certain resistance towards institutional change an (among others Barnett/Finnemore: 2004). Thereby, international organisations can develop this culture by them selves and can influence their environment through the embedded norms, ideas and ideologies (Barnett/Finnemore 1999). This theory design tries to focus on the often neglected internal characteristics of organisations (see also Trondal: 2004). Some critics point to the problem that those theory designs neglect the interactions between the organisation and external structures. Therefore, some of these theory models deal with this problem by including both internal and external factors in the analysis of preferences (Dimitrakopoulos/Kassim: 2005: 180, see also Barnett/Finnemore: 1999: 725). Moreover some sociological institutionalism theories use the concept of 'policy entrepreneurs' or 'norm entrepreneurs'. According to this, policy entrepreneurs have the possibility to actively change bureaucratic cultures and structures (Nielson et al.: 2006; Finnemore/Sikkink: 1998), by bringing in new ideas, developing new working practices, hiring new personnel etc. At the same time, the preferences of the policy entrepreneurs are influenced by the bureaucratic culture of the organisation. Therefore, Nielson et al. (2006) propose a sequencing analysis by which internal changes in the bureaucratic culture are initiated by policy entrepreneurs and at the same time this changing culture influences the preferences of staff members. (Nielson et al.: 2006: 110). Thus, the bureaucratic culture becomes an independent variable that can constrain reform processes or enable it (ibid: 110).

8. INTERNAL AND EXTERNAL FACTORS

The combination of external and internal factors regarding the analysis of preference change in international organisations has been often proposed in the relevant literature. Nevertheless, only a few studies specify external influence factors for preference changes in complex international organisations. Such an analysis requires a design of the governance system of the European Union in order to identify possible internal and external factors that might be relevant for analysis. In this context, an often-cited concept is the „Multi-Level-Governance-System“ that has been made famous by Mark and Hooghe ((ed.): 2001). According to this concept, the European Union governs on different levels (national, intergovernmental and supranational). Furthermore, this system offers different channels for NGOs and other

⁵ see definition above

lobbying organisations to influence EU governance. This concept does not offer its own theory but it works as a transparency on which background the theory model of the sociological institutionalism can be used.

Some studies already showed that the bureaucratic culture of different DGs can play a role in preference changes (Cini 2000, 2005; Metcalfe 2005). Other studies show that specific internal factors that are normally part of a bureaucratic culture can cause preference change of Commission staff members like institutionalised myths, routines and presidential leadership (Dimitrakopoulos/Kassim: 2005). Dimitrakopoulos and Kassim describe the Commission as a differentiated and fragmented institution whose preference change happens through an internal interaction process between Commissioners and their General Directors as well as between different General Directions (2005: 184). At the same time, institutionalised work routines, the institutionalisation of information channels and the interactions of the specific General Direction with its environment are important (ibid: 185). As most definitions of bureaucratic culture comprise those factors it seems sensitive to concentrate on this internal factor in the analysis. Dimitrakopoulos and Kassim state also that external factors like specific reform agendas and the integration process can play a role in the Commission's preferences. Nevertheless, only few sociological or constructivist institutionalism studies specify the influence of external factors and refer mostly to them generally as 'context structures'. A possible alternative offer the Governance model of Holzinger et al. (2003, 2006) that identify governance ideas and governance conditions as possible factors for preferences about environmental policy reforms. In their analysis of EU environmental regulatory policy they state nevertheless that they new governance ideas were introduced in the Environmental Frameworks proposed by the Commission but that they almost never caused a change a substantive change in regulatory policy agendas (2003: 126). They showed, that indeed some changes in regulatory environmental policy conditions had implications for the environmental policy reform agenda of the Commission (2003: 107,109). Those governance conditions may include changes in economic conditions, decision-making processes on the international level with impacts on the European level and possible failings of previous governance concepts in climate policy Therefore, concerning the analysis of the Commission's preference change concerning the introduction of an Emissions Trading System, this problem could be solved by combining the concept of bureaucratic culture with concept of governance conditions for the climate change policy of EU. Thus, the concept of regulatory ideas is included in the variable 'bureaucratic culture` but other factors like internal relations within the Commission are also

taken into account. Thus, the complexity of organisations like the European Commission can be analysed in a more appropriate way. At the same time, it becomes possible to analyse the influence of changing institutional structures (bureaucratic culture) and the influence of external context structures (regulatory conditions for EU environmental policy) at the same time.

9. METHODOLOGY AND OPERATIONALISATION

Previous studies on bureaucratic culture and show that they differ in the degree of openness towards other institutions and actors as well as the degree of hierarchical structures (among others Wallerath: 2001; Metcalfe: 2005). These different dimensions of bureaucratic culture then have implications for the preferences of the organisation's staff members (Metcalfe: 2005: 31). Taking previous studies about the Commission into account, different bureaucratic culture do already exist in the European Commission (Cini: 2000; Spence: 1997; Knill: 2003) that differ according to the degree of transparency and openness towards outside actors, their inclusion in decision-making processes as well as the degree of horizontal and vertical structures. These studies speak also about some attempt by staff members to change the ideological model in the DG environment from „ecologisation“ to „ecological modernisation“ (Cini: 2000: 85). Nevertheless, it does not become clear whether these changes have impacts on the preferences of Commission staff regarding different regulatory policy models in environmental policy or specifically Climate Change Policy. This will therefore be analysed in this research project.

9.1 RESEARCH DESIGN

The aim of this research project is to analyse through theory testing how far the preference change of the Commission can be explained by the influence of both a changing bureaucratic culture and changes in the external governance conditions of European Climate Change policy. This will be tested through a single case study along several time phases. This characterises a variance in the dependent variable from no preference change = 0 to a completed preference change = 1. At the same time, a specific type of preference change will be explained. On the other hand, this kind of study requires intensive process tracing in order to reveal the intervening steps that caused the dependent variable (George/Bennett: 2005: 206).

Generalisations are possible when taking into account the time factor: the causal process can be proven through the development and changes of the variables during time. Furthermore,

such a „within-case“ study offers the possibility to exclude third variables and to develop a reliable model of hypotheses (see also Van Evera: 1997: 52). The preference change of the European Commission towards the introduction of a European Emissions Trading System constitutes the dependent variable. The preference change presents a change of regulatory environmental mechanisms from the dominating command-and-control- instruments to a marked-based instrument in Climate Change Policy. The case study comprises the phase of problem definition, agenda setting and problem formulation (the launch of a proposal).

As the combination of the internal factor ‚bureaucratic culture‘ and the external factor governance conditions for EU Climate Policy have not been tested together so far, the hypotheses derived from literature and previous empirical studies on the preferences of Commission will be tested regarding their plausibility. This means that it will be analysed whether the developed categories are suitable for further empirical studies (see George/Bennett: 2005: 75; Deitelhoff: 2006: 29).

In this study, I will therefore analyse preference change via the deduction of preferences on the basis of an existing theory.

9.2 EMPIRICAL ANALYSIS

In the analysis, I will use documents of the European Commission, the Parliament and the European Parliament (position papers, press releases) and NGOs as well as press articles and secondary literature. Moreover, interviews will be made with different observers of the development of the process from the European Commission, the European Parliament, the Council as well as several environmental NGOs. The interviews and the written material will be analysed qualitatively.

9.3 CASE STUDY

As it is the aim to show the impact of the independent variable on the dependent variable by revealing the different intervening steps of the causal process, I have chosen a case that has not been explained satisfactorily by previous studies (see above). In order to verify or falsify the plausibility of the derived hypothesis, I have chosen a *most-likely* case that because of its conditions and the empirical observations regarding the development of different bureaucratic cultures in the European Commission (Cini: 2000; Knill: 2003) should be plausible regarding the developed hypotheses (as mentioned above). At first, the original position of the Commission regarding the introduction of flexible mechanisms and especially the Emissions

Trading System will be explained. Then the different phases during the development of the EU Emissions Trading proposal until the launch of the proposal in 2001 will be analysed regarding the impact of the independent variable.

9.4 INDEPENDENT VARIABLE

The independent variable includes both the internal variable of a 'bureaucratic culture' and the external governance conditions of the EU Climate Change Policy. According to Metcalfe, a bureaucratic culture comprises both values and ideas about how organisational activities should be organised. Furthermore, the relationship between staff members and the relationship of the organisation with actors of their environment play a role (2005: 24). Kopp-Malek (research report, Bielefeld (Germany)) and Spence (1997) differentiate between a bureaucratic culture that is shaped by the French model and a bureaucratic culture that is shaped by the Anglo-Saxon model. According to them, the French model is characterised by top-down formalised bureaucratic structures, sectoral working procedures and a low degree of vertical ways of cooperation. The Anglo-Saxon model is characterised by a higher openness towards ideas and information from outside of the organisation as well as vertical and intersectoral working procedures, a consensual development of law proposals. Metcalfe refines this model into *grid* and *group cultures* whereby the grid culture is similar to the French model, the group culture comes close to the Anglo-Saxon model. These cultures can exist in higher and lower dimensions and in mixed forms. He organises the working practices of the different EU-institutions in this model:

	weak Group	strong Group
STRONG GRID	<i>Fatalism</i> joint decision trap	<i>Hierarchy</i> Community Method multi-level governance
WEAK GRID	<i>Individualism</i> intergovernmentalism	<i>Egalitarianism</i> EU regulatory model open coordination intensive transgovernmentalism

following Metcalfe (2005: 33, 37)

In his studies he shows that the European Commission might have changed from strong grid/strong group to weak grid/strong group (*egalitarianism*) but he also underlines that this has to be proven in more detailed empirical studies (Metcalfe: 2005: 36). This indicates that the more the staff members are oriented towards a more Anglo-Saxon bureaucratic model the stronger the organisation's staff members are willing to use information and ideas from outside of the commission and to work together with staff from other DGs as well as with

institutions outside of the Commission and thereby to change their preferences towards a specific outcome. These changes will happen easier if policy entrepreneurs within the Commission try to change these structures (see Nielson et al.: 2006: 110).

At the same time, external factors can play a role in changing the preferences of a supranational actor. As mentioned above, this study will use the governance conditions proposed by Holzinger and Knill as the introduction of an Emissions Trading System on EU level can be characterised as a change in regulatory governance mechanisms in EU Climate Policy. Holzinger und Knill (2003: 9f.) have generally identified four factors for governance conditions that might change over time:

- 1) change in technological conditions
- 2) change in economic conditions
- 3) change in political and institutional conditions
- 4) the failing of existing governance concepts

For the governance of EU environmental policy, the four factors can be translated in the following governance conditions:

- 1) the development of new technologies
- 2) the necessity to secure the internal market by harmonising national measures towards environmental policy

To secure the principle of free trading the has been written down in the European Treaties The cooperation between economy and environmental policy in order to secure that environmental policy measures in balance with economic measures, especially when the economic conditions in the European Union decrease

- 3) the taking into account of decisions about Climate Policy on the global level that could influence the governance of Climate Policy at the European level: e.g. Kyoto Protocol process
- 4) the failing of already existent or previously analysed governance concepts of EU Climate Policy

9.5 HYPOTHESES

According to the arguments above, the hypothesis can be developed that a changing bureaucratic culture via changes in the degree of openness towards new knowledge and ideas as well as using information structures of other actors and institutions as well as changing vertical and horizontal working structures in combination with changing governance

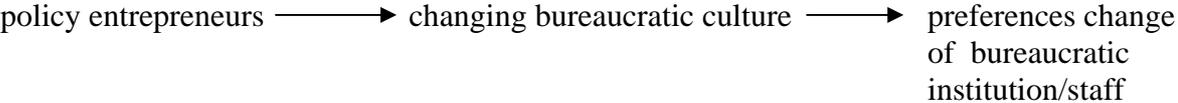
conditions can influence a preference change of staff in international organisations. For the analysis of the preference change in the European Commission this means:

H1: The higher the degree of openness towards new ideas and knowledge and the more actors from outside the European Commission are involved in a consensual decision-making process, the higher is the possibility this changing bureaucratic culture causes a change of the Commission’s staff preferences towards the introduction of an EU-wide Emissions Trading System

H2: the more political entrepreneurs inside the European Commission actively try to change bureaucratic structures towards an opener bureaucratic culture and promote those reform processes, the higher the possibility that other staff members will change their preferences towards a change in the environmental governance structures of EU Climate Policy

H3: At the same time, the more environmental governance conditions change regarding economics, law and politics on the European level, the higher the possibility that the Commission’s personnel changes its preferences towards the introduction of an Emissions Trading System on the basis of a changing bureaucratic culture.

Table 1: relationship between independent and dependent variable



9.6 THE DEPENDENT VARIABLE

For the analysis of a preference change in the European Commission towards the introduction of an Emissions Trading System a concept of preference change is important. In the literature, different types of preference changes are mentioned. Mostly, preference changes over outcomes and preference changes over strategies are mentioned (see above). Zangl and Zürn also mention preference changes about the basic values and wishes in the preferences of other actors (Zangl/Zürn: 1996: 354). Thus, preference change occurs in different types. In this study, a preference change about possible outcomes – the introduction of the emissions trading system, will be analysed. Thus, a specific type of preference change will be analysed that cannot be explained by rationalist theory models as aims and therefore the issue of value oriented aims are beyond their reach (see among others Deitelhoff: 2006: 103). A preference change over outcomes is completed when the organisations make it clear for itself and outside actors that it prefers another outcome. The preference change takes place in a gradual change

of previous preferences from preference A to preference B (see Druckman/Lupia: 2000: 6)). It is completed when organisation comes forward with a specific law proposal.

10. CONCLUSION

In short, this paper has attempted to outline the need for further studies on preferences changes in international organisations. In attempting to answer the question why the European Commission changed its preferences regarding the introduction of an EU-wide Emissions Trading System, the paper has come forward with two propositions. Firstly, that both internal and external influence factors have to be taken into account. Secondly, the research indicates that both an opener bureaucratic culture concerning the inclusion of new information, ideas and resource structures of other actors as well as more vertical working structures in the Commission influenced a preference change in staff members. Moreover, policy entrepreneurs have actively promoted these changes. Additionally, certain changes in the environmental governance conditions of the EU had further influences on the preference change.

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