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The Netherlands: a Case of Fading Leadership

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1. Introduction

This chapter analyses the relationship between the development of domestic climate policy in the Netherlands and the Dutch efforts in this field in the European Union (EU) and international arena since the 1980s. Traditionally, the Netherlands has enjoyed a reputation as an environmental and climate leader, based on setting ambitious goals, experimenting with new policy concepts and actively pushing others to follow suit. In this chapter we will argue that the Dutch climate leadership has largely faded. We will discuss to what extent problems in achieving domestic climate targets have affected the Netherlands' declared ambition to act as an international leader in this particular area and identify factors that are important for understanding the current Dutch position.

We will first outline the national context of Dutch climate policy, followed by an analysis of the evolution of the policy field and the most important policy instruments and actions. After that, the question of Dutch leadership is addressed before a conclusion is put forward.

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2. National context of climate policies

The Netherlands is a highly industrialised country with a population of 16.9 million, and a population density of 502 people per km² in 2015. In 2014, total emissions of carbon dioxide (CO₂) and the five other major greenhouse gases amounted to 187 Mt CO₂ equivalents. Most of this, 158 Mt, was accounted for by CO₂ (CBS, PBL and Wageningen UR 2015).

CO₂ emissions per capita in the Netherlands are among the highest in the EU, roughly 10% above Belgium, Finland and Germany and twice as high as France or Sweden. Emissions related to GDP are more in line with neighbouring countries and EU averages but still significantly higher than in, for example, Denmark, Switzerland, France or Sweden (International Energy Agency, 2014). It was not until 2005 that total greenhouse gas emissions (GHGE) reached a level below that of 1990, and this was due to the reduction of non-CO₂ greenhouse gases rather than to the slight decoupling of CO₂ emissions and economic growth that could be observed in the same period (CBS, PBL and Wageningen UR 2015).

At first sight this is surprising, considering the large natural gas reserves in the northern part of the country and the Dutch parts of the Wadden Sea and North Sea. Natural gas, a low carbon fossil fuel, accounts for almost 50% of domestic energy use. This natural advantage is partly outdone, however, by the presence of relatively energy-intensive industries in the Netherlands, such as a number of big refineries and chemical plants and massive greenhouse horticulture. A second factor is the virtual absence of nuclear and renewable energy. Only a few per cent of Dutch electricity demand is covered by a single 450 MW nuclear plant. Renewables play a modest role with a contribution to the total Dutch energy supply of 2,7% in 2006, growing to 5.6% in 2014 (CBS, 2015).

3. Historical development of Dutch climate change policy

In the late 1980s, when the issue of climate change first entered the political agenda, environmental politics ranked high in the Netherlands. Aiming at a stabilisation of CO₂ emissions in 2000, the 1989 National Environmental Policy Plan (NEPP) (VROM 1989) set the first nation-wide CO₂ target in the world (cf. Rowlands 1995: 77). One year later, ambitions were even further raised to a reduction target of 3 to 5% by 2000 (VROM 1990), with an additional long term goal of minus 60% over the next 100 years. To fulfil this mission, the government opted for the introduction of an energy/CO₂ tax.

Its national schemes placed the Netherlands in the league of the most ambitious EU-countries at the time, and its international intentions surely did not lag behind. The Netherlands actively contributed to setting the agenda and building up political pressure in the run-up to the UNFCCC (United Nations Framework Convention on Climate Change), signed in Rio de Janeiro in 1992. It saw no fault in going for a 'unilateral' EU-wide tax on CO₂, rejecting a US equivalent as a precondition for its introduction (N.N. 1992).

In the early 1990s, climate change policy, like other areas of environmental policy making, became part of an effort to move responsibilities from government to private actors. Anticipating the turn away from traditional top-down regulation which spread over the EU in later years, the Dutch government was looking for alternative measures, based either on the market mechanism or on negotiation and consensus (VROM 1993).

A prime example of this shift was the introduction of 'covenants' (i.e. negotiated, not strictly legally binding agreements between the government and various industry sectors) aimed at improving the latter's energy efficiency (see below). In the same vein, the Netherlands was among the first to investigate emissions trading (VROM 1993: 183), to explore (what is now called) carbon dioxide capture and storage (CCS) and to consider

fulfilling part of its reduction obligations by stimulating and financing projects abroad (VROM 1993: 74ff, 133, 220).

Despite considerable support from the Netherlands and a number of other member states, the EU-wide CO₂ tax never materialised. In order to avoid ‘going it alone’ – with its potential negative impact on economic competitiveness – as long as possible, the Dutch made a final attempt in 1995/1996 to revitalise the issue at the EU level by convening a meeting of eight like-minded countries in The Hague, exploring the possibility of co-ordinating national CO₂ taxes outside the formal EU framework. This ‘club’, however, never took off either. Eventually, a purely national tax scheme was established, but only for small consumers and at a merely symbolic level.

This course of events reflects the overall development of climate change policy in the Netherlands in the mid-1990s. A re-orientation towards the economy and employment led to the general energy reduction goal for 2000 being lowered from 20 to 17% and subsidies for energy reduction and renewable energy being cut back. The Netherlands also readjusted its vision on its role within the EU. At the international level, the Netherlands put increasing emphasis on ‘the national interest’ and ‘the competitive position of Dutch industry’ (VROM 1998). Making an active contribution to international efforts, and the intention to take, if needed, unilateral action for demonstration effects, gave way to making multi-lateral commitment a precondition for national activities. This marked a shift away from an active and constructive leadership ambition to a more conditional type of leadership.

The tensions that this caused on the ground were reflected in the role played by the Netherlands in the context of the Kyoto conference. Holding the EU Council Presidency in the first half of 1997, the Netherlands ensured an EU-wide agreement on a common negotiating position for Kyoto by putting forward the so-called ‘triptych’ approach (Phylipsen et al., 1998). This approach provided a method for sharing the ‘burden’ of emission reductions

among the member states in a 'scientific' or at least criteria-based manner. It formed the basis for the EU's opening offer of reducing GHGE by 15% in 2008-2012 (relative to 1990) for the EU as a whole, provided that other industrialised countries would commit to comparable reductions. For the Netherlands, a target of minus 10% was envisaged. This strategy came to no avail, however: the delegation returned home from Kyoto with a target of only minus 8% for the EU, in the face of the low commitments of other parties including in particular the US (see Chapter 16 by Bang and Schreurs). What subsequently happened in Brussels was less guided by the triptych approach than by the basic principles of political horse-trading. Given the decreasing domestic enthusiasm for taking substantive reduction measures, the Netherlands joined the ranks of those countries that wanted to keep their national obligations as low as possible (Van den Biggelaar and Wams 1998) and eventually left the arena with a national target of minus 6%.

Nevertheless, the Netherlands was still struggling with how this target could possibly be reached. The covenants with industry and measures in the building sector had enhanced energy efficiency, but not reduced absolute emissions. For transport, hardly any policy measures were in place. Renewable energy in the power sector showed slow growth rates.

The Netherlands consequently first turned towards other means to achieve its targets, notably by reducing emissions abroad. The Netherlands' initial intention to reduce more than half of its emission reductions through Joint Implementation (JI) projects in Eastern European countries and the Clean Development Mechanism (CDM) in developing countries, however, was received with scepticism by other EU member states (N.N. 1999).

The Sixth UNFCCC Conference of Parties (COP-6) in The Hague in November 2000 and the active role of the Dutch president of COP-6bis in Bonn several months later at first seemed to pave the way for a reinvigoration of climate change policy. However, the 2001 Fourth NEPP (VROM 2001) proved differently. As before, it considered unilateral action off-

limits. Policies for industry kept relying heavily on negotiated agreements. The Fourth NEPP first introduced the idea of an energy ‘transition’ (*Energietransitie*), i.e. a radical shift towards a more sustainable energy system. From the beginning, however, this trajectory was criticized for its strong technological bias, its continued (and therefore contradictory) dependence on the fossil fuel industry, and the prevalence of the short-term efficiency goals of the energy liberalisation agenda over long term sustainability objectives (Kern and Howlett 2009).

The 2000s developed into a decade of political turmoil in Dutch politics, fed by the rise of several populist parties de-emphasising environmental themes. Cabinet periods were short and policy more volatile, adding to the lack of coherence and stability of policies. In 2002 the right-wing coalition government substituted the office of a Minister of the Environment by that of a State Secretary, or junior minister. The first victim of the renewed focus on reducing government intervention was road pricing, which had been discussed and investigated for a long time, but was not introduced after all. In its 2004 report, the Netherlands’ Environmental Assessment Agency concluded that, of all budget cuts in the field of the environment, most were undertaken in the domain of climate change policy (Milieu- en Natuurplanbureau 2004: 31).

The surge in climate attention following Al Gore’s *Inconvenient Truth* and the Stern Report temporarily turned the tide. In 2007, the new Christian Democratic/Social-Democratic government reinstalled a Minister for Environment. A new climate programme aimed at an ambitious 30% reduction in GHGE by 2020 (base year: 1990), a 20% share of renewable energy by the same year, and an annual energy saving rate of 2% (VROM 2007). These objectives were to be bolstered both by the provision of financial resources and by new policy measures, such as – once again – road pricing and an additional fiscal greening package including an intensification of the emissions-based vehicle tax, an aviation tax and a waste package tax (the latter two were later abolished). For the first time since the early 1990s, the

Netherlands decided on a programme with long-term goals even before the European Commission had presented its proposals on future effort sharing. The Netherlands supported the 2008 EU Climate and Energy Package, yet pushed for consideration of competitiveness and the issue of carbon leakage in the EU 2020 package. It was sceptical of the Renewable Energy Directive, but advocated its sustainability criteria for biofuels (Gulbrandsen and Skjaereth 2016).

Equally notable was the acknowledgement, at least on paper, that an active role within the EU can only be played if substantial steps are taken at home (VROM 2007: 53). Also action at the international level was agreed: the Minister for International Cooperation could spend €500 million on sustainable energy access in developing countries, over and above the 0.8% ODA that the Netherlands was already providing. In the absence of clear goals on energy in the Millennium Development Goals, the Netherlands was the first country explicitly committing itself to access to sustainable energy as a prerequisite for sustainable development of the world's poor.

However, the new episode of ambition was short-lived. Following the controversy over hacked e-mails from the University of East Anglia's Climate Research Unit in 2009 ('Climategate'), both the Dutch populist and conservative parties became increasingly climate sceptic. The centre-right right minority cabinet taking office in 2010 lowered its ambitions to the EU goals of 20% reduction in GHGE compared to 1990 and 14% share of renewable energy by 2020 (Ministerie van Infrastructuur en Milieu 2011). The EU goal of 20% energy saving, part of the EU's 2020 Climate and Energy Package, was formally retained, but hardly elaborated. The subsequent Liberal/Social Democratic cabinet, in power from 2012, announced that a fully sustainable energy system should be in place by 2050 and raised the renewable energy ambition from 14 to 16% by 2020, but reconfirmed its commitment to a EU level-playing field. Rather than acting as a leader in the context of the EU, it explicitly

subscribed to the policy principle of 'no domestic mark-ups on European legislation' (Hoogervorst and Dietz, 2015: 25).

In the 2000s, the frustration grew in the environmental movement and in industrial circles about the capricious energy policies of the Netherlands. In 2011, it resulted in an initiative by the Social-Economic Council (SER), an influential discussion body between societal organisations and the private sector, to forge a broadly supported *Energy Agreement for Sustainable Growth* (EA). The negotiation process was concluded in 2013 and the EA was considered to constitute the balance of a wide range of actors and interests, from heavy industry associations to Greenpeace. It set out the general direction of Dutch energy policy until 2020, including a renewable energy target of 16% in 2023, i.e. postponing the 16% target set in the 2012 government agreement for 2020 but retaining the EU target of 14% for 2020. The long list of measures included closure of five older coal-fired power plants and a plan to speed up the construction of onshore and offshore wind parks. However, the EA simultaneously also abolished a recently introduced coal tax and aimed at protecting heavy industry against potentially increasing CO₂ prices in view of international competitiveness. Referring to the broad support by industry and societal organisations, the EA was hailed as a great achievement and hardly criticised. However, independent evaluations by the ECN/PBL (Schoots and Hammingh 2015) and the Court of Audit (Algemene Rekenkamer 2015) concluded that the measures included in the agreement would not be sufficient to realize its goals. The strength of the EA – the broad support and attention for implementation – was also its greatest weakness: it ended up with the lowest common denominator and became, although a useful and arguably necessary implementation step, void of leadership.

The EA reflects a long-term struggle between two ministries with conflicting goals: the Ministry of Environment, responsible for climate change matters, and the Ministry of Economic Affairs, responsible for energy and industry (Köper, 2012; Duyvendak, 2011).

According to a study by Notenboom et al. (2012), the drivers behind Dutch national plans for decarbonisation pathways are in decreasing order: affordability, industrial opportunities, greenhouse gas emissions and security of supply. The Ministry of Economic Affairs is very much aligned with the interests of the gas sector in the Netherlands, in all its incarnations including fossil fuel companies such as Shell and NAM, energy-intensive industry, and other sectors depending on oil and natural gas, such as transportation and horticulture. A sizeable chunk of Dutch employment and the government's budget rely on fossil energy. The influence of the fossil fuel sector can arguably be recognized in the EA.

Shortly after the EA, the cabinet presented the *Climate Agenda*. It reflected the rapidly increasing importance of climate adaptation. In this field, the government saw a potential for leadership and exporting Dutch water technology (Ministerie van Infrastructuur en Milieu 2013: 28- 29), an important argument for pushing the EU's Climate Adaptation Strategy. In the context of EU negotiations towards its 2030 Climate and Energy Package, the Netherlands backed the more ambitious EU-wide GHGE target, but preferred to combine it with EU ETS only. Specifying targets for renewable energy and energy saving at the Member State level was seen as reducing the cost efficiency of the ETS and as mingling with matters perceived as 'national business'. Together with the UK, among others, the Dutch actually played an important role in removing targets for renewables and energy saving from the 2030 Climate and Energy Package (cf. Gulbrandsen and Skjaereth, 2016).

In 2012, unhappy with the lack of both the domestic and international ambition of Dutch climate policy, the activist organization Urgenda initiated a lawsuit against the Dutch State. On 24 June 2015, the District Court of The Hague decided that the government had to increase its efforts to ensure a GHGE reduction of at least 25% by 2020, relative to 1990. This was necessary, according to the Court, to limit the global increase of temperature to the UNFCCC-agreed maximum of 2°C. The Court based its judgement on IPCC-based evidence

combined with the state's general duty of care for its citizens. The verdict sparked a lively debate, not only in relation to climate policy itself, but also in view of its more principal implications for the *trias politica*. In September 2015 the government announced an appeal.

In the run-up to the Paris COP in December 2015, the idea of a Climate Act, which had been discussed in the Dutch Parliament before but foundered on party political log-rolling, was revived. In addition, a parliamentary majority proposed to close down *all* coal-fired electricity plants in the Netherlands between 2020 and 2030.

4. Policy instruments and actions

In the 1980s, and in line with the country's neo-corporatist tradition, Dutch environmental policy shifted its focus from direct 'command-and-control' regulation to negotiation and consensus between the state and polluting sectors (Lieverink 1997; Liefferink and Mol 1998). In climate policy, this led to voluntary or negotiated agreements (also known as covenants) and strengthening of market-based instruments. Nevertheless, the domestic use of different instruments has been volatile and inconsistent (cf. Kern & Howlett, 2009).

Long-term Agreements

From 1991 onwards, the Ministry of Economic Affairs negotiated so-called Long-Term Agreements (LTAs) - sometimes also referred to as voluntary agreements - for improving energy efficiency with all major industrial branches. From 2005, the larger installations were included in the EU ETS, while the remaining companies continued agreeing on further LTAs.

Industry so far met the 45% efficiency improvements included in the LTAs between 1998 and 2020 (SenterNovem 2008) at very limited and often negative costs. In 2000, however, the Central Planning Bureau argued that LTAs accounted for only 30% of the energy efficiency improvements (Centraal Planbureau 2000: 13, 90). Moreover,

improvements in energy efficiency were outdone by the growth in production volume and a slight structural shift from low to heavy energy consuming industries (Enevoldsen 2005: 170-4).

Comparing the smooth LTA process with the difficult negotiation of the Energy Agreement suggests that non-costly coordination problems are considerably easier to agree on through a consensual process than collective action entailing considerable effort, investment and, for some, loss of market share.

Energy taxation

Compared to other EU member states, the Netherlands raises a relative high percentage of its tax income, 10 %, with green taxes (Vollebergh 2014: 5). Within the EU, the Netherlands was able to flaunt the unilateral introduction of an energy tax after fruitless efforts to raise a similar tax at the EU level. The Regulatory Energy Tax (*Regulerende Energie Belasting, REB*) was imposed in January 1996 and applies to the consumption of gas and electricity. In view of competitiveness considerations, forcefully brought to bear by Dutch business, the tax is primarily directed to households. Large users (i.e. agriculture and especially industries) are largely exempted. In addition, subsidy schemes exist for compensating internationally competing large-scale electricity users. While the actual effect of the tax on behaviour, even for households, has been called into question (cf. Joosen, Harmelink and Blok 2004: xiii), overall energy taxes are now quickly rising due to an additional levy, charged since 2013, to finance a growing subsidy scheme for sustainable energy (see below).

Flexible mechanisms: Emissions trading, JI, and CDM

From very early on, the Netherlands showed much affinity with carbon emissions trading. In early 2000, when the European Commission proposed launching the EU-ETS, the Dutch

government had already installed a special committee investigating the introduction of an ETS on a national basis. Nevertheless, actual plans had hardly crystallised and could not sufficiently be pushed in Brussels to effectively act as an example for the EU scheme (Veenman and Liefferink 2005).

The first phase of the EU-ETS, starting in 2005, included a few hundred of the Netherlands' large emitters. Nowadays, the ETS has taken over the role of the LTAs as the prime policy instrument stimulating CO₂ reductions in the domestic industry and energy sectors. Following the economic crisis, however, the carbon price plunged to only a few euros per tonne of CO₂-equivalent. Proposals to remove allowances from the market led to protests from industry, which regarded the low allowance prices as an advantage in difficult economic times.

The Netherlands engaged in Activities Implemented Jointly (the predecessor of JI) already before the 1997 Kyoto Protocol was agreed. After Kyoto, JI and CDM were seen as important instruments to achieve the national reduction targets.

Carbon dioxide capture and storage (CCS)

Before most other Member States, and probably because of the low renewable energy potential in the Netherlands, Dutch governments have shown a special interest carbon dioxide capture and storage (CCS). With the intention of becoming a leader in CCS development, the Dutch government invested in the demonstration of CCS and lobbied for it internationally. However, the mood turned rapidly sour on CCS after 2009. CCS inevitably involves additional cost, it thus always requires some kind of incentive. The failure to reach an ambitious agreement at the 2007 Copenhagen COP hurt the prospects of the technology and reduced the appetite of industry all over the world to invest significantly in CCS.

In the Netherlands, moreover, the key demonstration project at Barendrecht, where CO₂ from a refinery was going to be stored in a depleted gas field onshore under a highly populated neighbourhood, provoked vehement protests from citizens due to a naïve and clumsy engagement process (Brunsting et al. 2011). CCS thus became a political minefield which resulted in a *de facto* moratorium on onshore CCS in the Netherlands. At the time of writing, one CCS demonstration project –entailing offshore storage of CO₂ from a coal-fired power plant out of view of citizenry – was still alive and awaiting a go/no-go decision. Despite €150 million of subsidy from the Dutch government and €180 million from the European Commission, this project was not economically viable for Eon, the owner of the power plant, because of the low CO₂ prices in the ETS.

Renewable energy

Compared to other member states, renewable energy has not featured prominently on the Dutch climate policy agenda. With a 5.6% share in primary energy supply in 2014, renewable energy in the Netherlands remains far below the EU28 average of 15% as well as its national 2020 target of 14%. Traditionally, this is related to the limited potential for renewable energy, in particular hydropower, but inconsistent policies have not made things better (Milieu- en Natuurplanbureau, 2007: 70). The main achievement of the environmental organisations in the EA was an agreed tenfold increase of wind power offshore, i.e. from around 300 MW in 2013 to 4,450 MW in 2023.

Reaching this target will require very considerable investments. So far, however, efforts by the authorities to foster the investment climate in the renewable energy sector have been rather fickle. Subsidy schemes have been introduced, abrogated and re-introduced within only few years' time (see also Kern and Howlett, 2009). In 2008, a new scheme, the *Stimuleringsregeling Duurzame Energieproductie* (SDE), was introduced to ensure investors

more planning reliability. From 2011, the scheme excluded private persons while focusing more on efficiency. In 2016, it had a budget of approximately 8 billion euro (up from 3.5 billion in 2014). For small users (such as households) energy cooperatives and SMEs, various tax exemptions and ‘net metering’ regulations remained in place to stimulate renewable energy generation, but discussions about the flexibility and the scope of the regulations are ongoing.

5. Multi-level governance and Dutch leadership

For most of the history of climate change politics, the Netherlands has striven to acquire a leadership role in global and EU climate change policy. An international leadership role tends to be strengthened by a successful, or at least a forceful and consistent policy at the domestic level. As we have seen, however, domestic climate policy in the Netherlands can hardly be described in these terms. This section will explore the sometimes ambiguous links between the Dutch ambitions and efforts in climate policy at the domestic, the EU and the international level.

Already before climate change appeared on the political agendas worldwide, the Netherlands had built up a reputation as one of the environmentally progressive countries in the EU (Lieverink 1997). Climate change politics initially presented itself as a field where the Netherlands, as a geographically small state, might be able to play in the premier league with big states – by compensating its lack of structural leadership with fervent entrepreneurial and cognitive leadership.

Cases in point were the early nation-wide CO₂ target in the First NEPP, the active role of the Dutch in the run-up to the UNFCCC, the efforts to establish an EU-wide CO₂ tax, the introduction of the ‘tritych approach’ in the context of EU negotiations about sharing the Kyoto ‘burden’, and the pioneering role in developing and operationalising the mechanisms of

JI and CDM. Dutch international efforts were based mainly on diplomatic skills, networking and coalition building - in short: entrepreneurial leadership - with the Netherlands often trying to find the common ground between 'extreme' positions. Complementarily, however, the Netherlands tried to persuade by expertise and good arguments. In this respect, the Netherlands' reliance on cognitive leadership needs to be emphasised. Scientific experts were both engaged by the Netherlands itself and seconded to international institutions such as UNFCCC and IPCC. Dutch diplomats and researchers played key roles in these institutions. For instance, two of four Executive Secretaries of the UNFCCC were Dutch - Joke Waller-Hunter (2002-2005) and Yvo de Boer (2006-2010).

The adage of 'active environmental diplomacy' based on consistent and credible domestic policies (e.g. VROM 1993: 53; 2007: 57) proved hard to fulfil in climate policy. Dutch per capita GHGE continue to be high in comparison to most other EU Member States and hardly more than stabilized since 1990. The share of renewables in the total Dutch energy production, although increasing in recent years thanks to the EA, remains very modest. In the face of this, domestic targets for emission reduction and renewables were repeatedly tempered or shifted to a later point in time. The continuous revision of targets and measures also led to considerable inconsistency in the long-term development of Dutch climate policy.

The fact that many Dutch efforts at the international level failed (e.g. the efforts to introduce a common EU-wide CO₂ tax and the proposal for an EU burden sharing agreement on the basis of the 'tritych' approach) can obviously not be blamed entirely on the lack of credible domestic policies to back up these efforts. Failing diplomatic efforts are part and parcel of long and highly complex international negotiation processes.

Much more interesting is what happened at home *after* these somewhat disappointing outcomes had been reached at the EU/international level. The Dutch government, quite irrespective of its party political composition, was more than once used these disappointing

outcomes as an excuse to water down domestic commitments. First, although a national energy/CO₂ tax was established after it had become clear that an EU-wide tax was definitively doomed to fail, this unilateral tax was hardly more than symbolic. Thus, despite having lost the battle in Brussels, the Netherlands could boast to be a pioneer in this field. Second, one can hardly avoid the impression that the Dutch government was actually quite happy with the failure of the 15% GHGE reduction scenario in Kyoto. Why else did it undertake such efforts to reduce to a minimum its share in the final EU burden? Finally, the initial Dutch intention of realising a considerable part of its Kyoto target through JI and CDM was seen by many other member states as a cheap escape from the obligations to which the Netherlands had committed itself and, more importantly, to which it had tried to push other countries in the first place. Several Nordic countries also announced the use of JI and CDM, but in a manner additional to their domestic emission reductions.

Already in the 1990, these examples in combination with the ambivalent performance of Dutch domestic climate policies started to convey the impression of symbolic or ‘cost-free’ leadership (Huber, 1997; Liefferink and Birkel, 2011). By the mid-2010s, the question ought to be raised if the Netherlands still qualifies as a climate leader, even if only as a ‘cost-free’ leader.

As discussed above, the Netherlands subscribed to the latest EU GHGE targets although it tried to avert EU-wide - and even more so domestic - targets for renewable energy and energy saving for 2030. This appears to be mainly inspired by an ideological conviction of economic efficiency which also prominently features in the 2016 Energy Report by the Ministry of Economic Affairs.

Instead of pushing for tougher EU targets for 2030, the Netherlands preferred to rely solely on the domestic EA, signed in 2013, and to focus on its implementation. Its most conspicuous measures included the closure of five old coal-fired electricity plants – perhaps to

be followed by the remaining ones over the next 15 years thanks to a sudden and unexpected parliamentary effort (see above) – and a tenfold increase of offshore wind power until 2023. However, these measures could only be agreed domestically by abolishing a coal tax and granting full compensation for emissions trading costs for energy-intensive industries which face international competition. The overall target for renewable energy was watered down to the EU minimum at a relatively modest 16% by 2023. And although the EA, which was initially welcomed by all participants as a further great achievement of the Dutch consensus culture, ought to guarantee implementation of the existing targets, authoritative assessments (Schoots and Hammingh 2015; Algemene Rekenkamer 2015) question whether the measures, both in place and proposed together with the EA, are actually sufficient to reach the goals. These assessments criticize the lack of a long-term climate and energy vision for realising an energy transition. The Energy Report, which is supposed to outline a longer-term vision of the Dutch government on the energy transition and which is led by the Ministry of Economic Affairs (responsible for energy, industry and innovation), reiterates the CO₂-only target-setting, the measures in the EA, and adds an “Energy dialogue” with societal partners that is supposed to work out feasible measures. The only aspect of climate policy in which the Netherlands may perhaps still be considered a pioneer is that of energy and development. At in the 2015 COP in Paris the Netherlands announced a 50 million Euros extension of its energy and development programme, although this is now part of ODA and not additional to it anymore.

As analysed above, the reasons behind the stagnation of Dutch climate policy can be found primarily in the dominance of the traditional fossil fuel sector, a firm belief in market efficiency which is derived from classic economic (policy) theory, and the change of the political tide in the 2000s. The dominance of fossil fuels is rooted in the country’s strong reliance on its large gas reserves and its considerable heavy industry sector, much of it related

to the Rotterdam harbour as a major oil and coal hub. It is mirrored politically in the persistently strong position of the Ministry of Economic Affairs vis-a-vis the Ministry of Environment and economically in the weakly developed sustainable energy sector, especially compared to countries like Germany and Denmark (see Chapters 8 and 6 by Jänicke and Andersen and Nielsen respectively). The rise of climate-sceptic populist parties and, partly related to that, a series of short-lived cabinets both legitimised continued reliance on fossil fuels and further contributed to the inconsistency of Dutch climate policies and the increasingly weak basis for playing an international leadership role.

6. Conclusion

This chapter has examined to what extent, how and why the Netherlands has acted as a leader in climate policy. The Netherlands initially pioneered in this area and formulated ambitious GHGE goals beyond EU targets. However, this has, except for a short period following 2007, faded over time. It has been argued that, generally speaking, domestic performance did not live up to domestic, EU and international ambitions and expectations.

Three general observations can be made in this regard. First, it appears that high ambitions and an active role at the international level may, at least for the foreseeable future, be quite unrelated to policy performance at home. In the case of Dutch climate policy, the international leadership role was based primarily on expertise combined with diplomatic efforts (i.e. cognitive and entrepreneurial leadership) respectively. In the absence of good domestic examples, 'leading by example' was not sought by the Netherlands, except perhaps in the early 1990s, when domestic circumstances of a strong fossil sector, limited renewable energy potentials and the rise of populism were not as prevalent as in the 2000s, and the hope of achieving domestic targets was still alive. Secondly, in the longer term, the modest

performance of domestic climate policy undermined Dutch credibility as a climate leader and raised the suspicion of the Netherlands cultivating merely a symbolic or ‘cost-free’ leadership.

Finally, the chapter shows that where domestic policies fail, EU and international policies take over. With emissions trading largely replacing negotiated agreements with domestic industry, with the government retaining general targets for renewable energy and energy saving more or less against its will, and with a judge reminding the government of its international obligations, climate change probably ranks among the most Europeanised areas in Dutch policy.

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