

9 The Netherlands

A case of ‘cost-free leadership’

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Introduction

This chapter analyses the relationship between the development of domestic climate policy in the Netherlands on the one hand and the Dutch efforts in this field in the European and international arena on the other. To what extent has the Netherlands lived up to its reputation as an environmental ‘pioneer’ and in fact to its declared ambition to act as an international leader in this particular area? As the chapter will show, the implementation of domestic climate targets has been far from unproblematic. How could this be matched with the international ambitions of the Dutch? What consequences did the apparent gap between the two have, both for articulating the intended international role and for domestic policy practice?

In order to answer these questions, we will first sketch the national context of Dutch climate policy, followed by an analysis of the evolution of the policy field, paying attention both to domestic policies and to the Dutch role in European and global climate negotiations. A separate section focuses on the key policy instruments of Dutch climate policy. After that, the issue of Dutch leadership is addressed by linking the Dutch ambitions, efforts and achievements at the domestic and the European/international level. A few concluding observations serve to wind up the chapter.

National context of climate policies

The Netherlands is a small, highly industrialised country with a population of 16.3 million, or 481 people per km² (Centraal Bureau voor de Statistiek (CBS) 2008). In 2006, total emissions of carbon dioxide (CO₂) and the five other major greenhouse gases amounted to 209 Mt CO₂ equivalents.¹ Most of this, 173 Mt, was accounted for by CO₂ (Planbureau voor de Leefomgeving 2008: 193).

Emissions per capita in the Netherlands are at a level comparable to Belgium, Germany and also the Russian Federation, but above the EU average and considerably higher than in, for instance, the UK, Spain, France or Sweden. Emissions related to GDP are more in line with neighbouring

countries but still significantly higher than in, for example, Denmark, Italy, France or Sweden (European Environment Agency (EEA) 2007; Milieu- en Natuurplanbureau 2008). Although the Dutch government boasts a decoupling of economic growth and CO₂ emissions over the years 1990–2003 (Ministerie van Volkshuisvesting 2005), it was not until 2005 that total greenhouse gas emissions (GHGE) reached a level below that of 1990 (Milieu- en Natuurplanbureau 2007: 61).

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 has a lower CO₂ intensity than other fossil fuels and accounts for almost 50 per cent of domestic energy use, which is an unusually high share (The Netherlands Ministry of Housing 2005: 23). This natural advantage is partly outdone, however, by the presence of relatively energy-intensive industries in the Netherlands, notably a number of big refineries and chemical plants. These are predominantly located in Rotterdam, Europe's biggest port, but the presence of these polluting industries is – ironically – also related to the availability of natural gas, which is used as a basis for other products. Another sector benefiting from the Dutch 'gas bubble' is greenhouse horticulture. Dutch tomatoes could not be grown without cheap energy. A second factor contributing to relatively high CO₂ emissions in the Netherlands is the virtual absence of nuclear energy. Only a few per cent of Dutch electricity demand is covered by a single nuclear plant in the south-western part of the country. This is an important difference with neighbouring countries like Germany and, notably, Belgium and France. Renewables, finally, still play a modest role with a contribution to the total Dutch energy supply of no more than 2.7 per cent in 2006 (Milieu- en Natuurplanbureau 2007: 69f).

Historical development of Dutch climate change policy

When, in 1991, the Netherlands' finance minister of the time, Wim Kok, announced a rise on the levy on fuel to almost 25 cent/litre for unleaded gas, this measure was soon given the more succinct title of 'Kok's quarter'. Almost 20 years later, Kok's quarter enjoys a consistent unpopularity, but has so far defied all cries for abolition. In this respect, it is one of the few cornerstones in Dutch climate change policy that have been unharmed by the ravages of time – or rather, the ravages of changes in government coalitions since the advent of the topic in the late 1980s.

At that time, the issue of climate change hit a political agenda that was more than willing to embrace it. Environmental politics ranked high – high enough to make coalitions fall apart or to star in the Christmas speech of Queen Beatrix ('Slowly, the earth is dying'). Aiming at a stabilisation of CO₂ emissions in 2000, the 1989 National Environmental Policy Plan (NEPP) set the first nation-wide CO₂ target in the world (Nationaal Milieubeleidsplan (NMP) 1988–89; cf. Rowlands 1995: 77). During the campaign to the elections later that year, Ruud Lubbers, candidate of the Christian Democrats,

used climate protection as one of his figureheads and promised annual CO₂ reductions of 2 per cent. Although this objective was not upheld, it merged into the later aim of a reduction of 3–5 per cent by 2000 (Nationaal Milieubeleidsplan Plus (NMP Plus) 1989–90), with an additional long-term goal of minus 60 per cent during the 100 years to come.

In order to fulfil this mission, the government opted for the introduction of an ecotax, which was then very much *en vogue* in both OECD and EU circles. In this respect, the government announced that it was in favour of an EU-wide solution, but also that the possibility of national action should be investigated (N.N. 1990).

Its national schemes place 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), eventually signed in Rio de Janeiro in 1992. It saw no fault in going for a 'unilateral' EU-wide tax, rejecting a US equivalent as a precondition for its introduction (N.N. 1992).

By the time of the Second NEPP (Tweede Nationaal Milieubeleidsplan (NMP-2) 1993–94), which appeared at the end of 1993 and set out goals and measures for the period between 1995 and 1998, the main features of a distinctly Dutch climate change policy had emerged. Just like in other areas of environmental policy making, climate change policy had become the object of an effort to move responsibilities from government to private actors (Ministerie van Volkshuisvesting 1993: 42). Anticipating the turn-away from so-called command-and-control instruments which captured the rest of the EU in later years, the Dutch government was looking for alternative measures, based on either the market mechanism or negotiation and consensus, that would make use of the abilities of private actors without compromising too many of their liberties (Ministerie van Volkshuisvesting 1993: 128).

A prime example of this shift was the introduction of 'covenants', i.e. voluntary, not strictly legally binding agreements between the government and various industry sectors, aiming at improving the latter's energy efficiency (see below). In the same vein, the Netherlands proved to be very open-minded about the same flexible instruments that are now very much entrenched in the EU climate change agenda, but of which the effectiveness was still heavily debated at the time. For instance, the NEPP 2 mentions further investigation into the mechanism of emissions trading (Ministerie van Volkshuisvesting 1993: 183), an exploration of what is now called carbon capture and storage (CCS) and the intention to fulfil part of its reduction obligations by stimulating and financing projects abroad (Ministerie van Volkshuisvesting 1993: 74ff, 133, 220).

Compared to these measures in preparation, the envisaged CO₂/energy tax – despite its novel, market-based character – seemed to come closest to conventional 'hard' policy making. However, notwithstanding considerable efforts by the Netherlands and a number of other Member States, the EU-wide CO₂ tax never materialised, leaving not much but the option of the Netherlands 'going

it alone'. Already in the early 1990s, however, serious doubts about a full-fledged national forerunner strategy and its allegedly disastrous consequences for the competitive position of Dutch industry had been expressed by the Ministry of Economic Affairs, the employers' organisations and the influential Wolfson advisory committee, among others. For this reason, the Dutch made a final attempt in 1995/1996 to revitalise the issue at the European level by convening a meeting of eight like-minded countries in The Hague, exploring the possibility of coordinating national CO₂ taxes outside the formal EU framework. This 'club', however, never took off either; eventually, a purely national tax scheme indeed was established, but only for small consumers and at a very low, in fact fairly symbolic, level.

In a way, this course of events reflects the overall development of climate change policy in the Netherlands in the post-NEPP 2 years. From being politicians' darling subject in 1989 elections, the environment and, more particularly, climate change had been moved to the dark cellars of politics by 1994, making space for the economy and employment to take their place. In the course of the year, the general energy reduction goal by 2000 was lowered from 20 per cent to 17 per cent and subsidies for energy reduction and renewable energy were being cut back (Vos and Herberigs 1995). At the end of the year, a newspaper stated that the Netherlands had been seized by an 'environment fatigue' (Westerman 1994).

The Netherlands also readjusted its vision on what its role could be within the EU and at the international level. Making an active contribution to international efforts and the intention to take, if needed, unilateral action for the sake of demonstration (Ministerie van Volkshuisvesting 1993: 15, 60) gave way to making multi-lateral commitment a precondition for national activities, i.e. a shift away from active, constructive pushing to something close to a wait-and-see approach. And while the spirit of ecological modernisation had imbued domestic environmental policy in the early 1990s (Ministerie van Volkshuisvesting 1993: 60), the Netherlands put renewed emphasis on 'the national interest' and 'the competitive position of Dutch industry' in the Third NEPP (Ministerie van Volkshuisvesting 1998) presented in February 1998. Environmental organisations, traditionally relatively powerful in the Dutch consensual system, were not able to counter this shift.

The tensions that this caused 'on the ground' can be seen when looking at the role played by the Netherlands in the context of the Kyoto conference. Being the EU president in the first half of 1997, the Netherlands ensured an EU-wide agreement on a common negotiating position for Kyoto by putting forward the 'tritych' approach. This approach provided a method for sharing the 'burden' of further emission reductions among the Member States in a 'scientific' or at least criteria-based manner.² On this basis, the EU delegation went to Kyoto with an opening offer of reducing GHGE by 15 per cent in 2008–12 (relative to 1990) for the EU as a whole, provided that other industrialised countries would go for comparable reductions. For the Netherlands, a target of minus 10 per cent was envisaged. This strategy came to no avail,

however: the delegation returned home with a target of only minus 8 per cent for the EU, in the face of the low commitments of other parties. What happened back in Brussels, however, was less guided by the 'tritych' approach than by the basic principles of political horse-trading. 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 per cent. Moreover, the new coalition agreement of 1998 made the Dutch ratification of the Kyoto protocol dependent on that of countries such as the USA and Japan.

Despite the 'success' of being conceded the rather low target of minus 6 per cent GHG reduction in the end, the Netherlands was still struggling with how this could possibly be reached. It was true that the voluntary agreements with the industry had enhanced energy efficiency; however, the latter were more than outweighed by a surge in the overall use of energy (which was not taken into consideration in the agreements). For the transport sector, which accounted for an ever larger piece in the pie chart of emissions, there were hardly any policy measures in place which actually deserved the name – with 'Kok's quarter' having a more beneficial impact on treasury income than on driving behaviour.

The Netherlands consequently first turned towards other means to achieve its targets, e.g. reducing emissions abroad. Already before the Kyoto agreement, it entered joint implementation (JI) projects with East European countries such as Romania (Bennis 1997). After Kyoto the Netherlands wanted to follow the road taken by massively investing in projects under the new Clean Development Mechanism (CDM). Both the manner and the extent to which it was planning to do so, however, caused dismay in the Netherlands and in the rest of the EU. Nationally, the main bone of contention was the decision to finance CDM projects from money drawn from other official development assistance (ODA) projects in the field of the environment; EU-wide, it was the Netherlands' initial intention to reduce more than half of its emission reductions abroad (N.N. 1999).

With the organisation of the Sixth UNFCCC Conference of Parties (COP-6) in The Hague in November 2000 and the active role of the Dutch in COP-6bis in Bonn several months later, an environment seemed to have been created which allowed a reinvigoration of climate change policy. However, the 2001 Fourth NEPP still considered unilateral pressing ahead off-limits. Policies for industry kept relying heavily on voluntary agreements.

In 2002, Dutch climate change was for the first time evaluated for its integrity by the Dutch Court of Audit. The verdict was explicit: 'Today's policy is characterized by a lack of coherence and by shortcomings in the preparation of the policies. In addition, policy measures which are put in place are lacking concrete possibilities for enforcement or sanctions, with large-scale consumers being partly exempted' (Algemene Rekenkamer 2002: 6, own translation). The Court also criticised the lack of measurable targets and the virtual absence of monitoring of the actual impact of measures.

As a reaction, Jan Pronk, then Minister of the Environment, promised the introduction of reduction targets for different sectors. This promise was honoured by the subsequent, more right-wing government coalition, which, however, in other parts of environment and climate change policy opted for a 'new course'. The office of a Minister of the Environment was substituted by that of a State Secretary, or junior minister, carrying out a cut-down task with regard to climate-change policy making. With the introduction of target values for different sectors, the prime responsibility was shifted to the respective departments (i.e. agriculture, energy), the State Secretary executing merely a coordinating function (Ministerie van Volkshuisvesting 2005).

The principal focus now lay on 'less regulations, less money from the government' (cf. Ministerie van Volkshuisvesting 2002: 8). The first victim of 'less regulations' was road pricing, which was not introduced after all. Kok's quarter remained unharmed, but was now used to partly finance new road constructions (Ministerie van Volkshuisvesting 2006: 25). 'Less money from the government' resulted in cut-backs on, e.g., tax bonuses for energy-efficient cars. In its 2004 report, the Netherlands' Environmental Assessment Agency (Milieu en Natuur Planbureau, MNP) concluded that, from all cut-backs in the field of the environment, most were undertaken in the domain of climate change policy (Milieu- en Natuurplanbureau 2004: 31). In this respect, government attitudes seemed to resonate with those of the electorate; according to a survey, in 2005 70 per cent of the population were simply not interested in the issue of climate change (N.N. 2005).

However, just as the Stern/Gore wave swept over the rest of the EU, it swept over the Netherlands, even if it needed somewhat more persistence. The new Christian-democrat/social-democrat government, coming into office in early 2007, seemed determined to make use of this window of opportunity and announced nothing less than 'New energy for the climate'. This, at least, was the heading of its working programme on climate-change policy, *Schoon en zuinig*, presented in September 2007 (Ministerie van Volkshuisvesting 2007).

The 'show-pieces' of this programme were the new long-term targets: a 30 per cent reduction in GHGE by 2020 (base year: 1990), a 20 per cent share of renewable energy by the same year, and an annual energy saving rate of 2 per cent. These objectives are to be bolstered both by the provision of financial resources (an annual fixed budget of 1.3 billion, plus an additional annual amount that ranges from 140 million in 2008 to 500 million in 2011) and policy measures, including – once again – road pricing.

Although it has been doubted whether the proposed measures will be sufficient to meet the long-term goals (Platform Communication on Climate Change (PCCC) 2008: 20), the new climate programme promises to mark a new phase in both Dutch and EU climate-change policy. For the first time in years, the Netherlands has presented a programme which is not simply waiting on others to make the first step; rather, with a long-term goal that was decided upon even before the European Commission presented its proposals on future effort sharing, and the recognition that an active role within the EU can be

played only if substantial steps are taken at home (Ministerie van Volkshuisvesting 2007: 53), the Netherlands appears to be back on the proactive constructive pushing track that it left in the years before. Unlike other EU Member States, it seems to be willing to follow this track 'in the good times as in the bad'. In various statements, Jacqueline Cramer, the Dutch Environment Minister, in the period 2007–2010 depicted the credit crunch as an opportunity to re-model the economic system in a sustainable fashion, rejecting demands for a less ambitious EU climate policy in times of crisis. Reflecting the delicacies of domestic climate policy and acknowledging the EU's key role on behalf of its Member States in the ongoing international climate negotiations, the Netherlands played a constructive rather than an ostentatiously activist part in the run-up to the Copenhagen conference (COP-13) held in December 2009.

Policy instruments

In the course of 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, 1999; Liefferink and Mol 1998). This is also reflected in climate policy where voluntary agreements (or 'covenants') play a crucial part. Equally, the role of market-based instruments, notably emissions trading and CDM/JI, has been strengthened.

Voluntary agreements

From 1991 onwards, the Ministry of Economic Affairs concluded so-called Long-Term Agreements (LTAs) with 29 industrial branches, altogether covering 84 per cent of Dutch industrial energy use. For most sectors, the aim was to improve energy efficiency by 20 per cent between 1989 and 2000.

After the first round of LTAs, a more dynamic benchmarking approach replaced the LTA targets for the most heavy energy users (energy consumption per plant above 0.5 PJ per year). This select group comprises only a few hundred companies from sectors such as electricity generation, chemical industry, refinery and pulp and paper, but represents no less than 40 per cent of total Dutch energy consumption. Under the 1999 Covenant Benchmarking Energy Efficiency they commit themselves to belong to the 10 per cent best-performing companies in their branch worldwide as regards energy efficiency, ultimately by 2012. From 2005, some of these heavy energy consumers also take part in CO₂ emissions trading. The remaining, mainly medium-range industrial energy users started to conclude a second round of LTAs from 2000 (LTA2) and a third round from 2005 (LTA3), together aiming at a 45 per cent improvement in energy efficiency between 1998 and 2020 (SenterNovem 2008).

Throughout, both government authorities and business have been very pleased with the results of both conventional and benchmarking LTAs, with the industries in question usually attaining or even exceeding their targets. Environmental organisations, research institutes and other independent institutions, however, have been less satisfied. In 2000, the Central Planning Bureau argued that many of the LTAs did not go further in their targets than what would have been put into effect anyway. Accordingly, the Bureau claimed that LTAs accounted for only 30 per cent of the actual improvement on energy efficiency, with the rest being due to ‘autonomous’ causes (Centraal Planbureau 2000: 13, 90). In 2002, the Dutch Court of Audit took criticism to an even higher level, when it animadverted that LTAs made use of only (relative) energy efficiency targets instead of (absolute) targets in terms of CO₂ reduction (Algemene Rekenkamer 2002: 6). As a result, improvements in energy efficiency were outdone by the growth in production volume and a slight structural shift from low to heavy energy-consuming industries, notably chemicals (Enevoldsen 2005: 170–74). Since the introduction of the EU-wide emissions trading scheme (EU-ETS, see below), however, the LTAs have lost some of their central position in Dutch climate policy.

Energy taxation

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 or in accord with a group of like-minded countries. The ‘Regulatory Energy Tax’ (Regulerende Energie Belasting, REB) was imposed in January 1996. In view of competitiveness considerations, forcefully brought to bear by Dutch business, the tax was directed towards small consumers, with larger industries being practically exempted.

The Dutch energy tax has been subject to several hikes over the years. In total, its revenues have increased seven-fold between 1996 and 2006, with 2006 numbers lying at 4 billion euros (Planbureau voor de Leefomgeving 2010). The yield is, however, mainly used to lower other taxes, especially on employment, and therefore the tax can be said to be revenue neutral.

The actual effect of the Dutch Energy tax has been subject to discussion. Whereas consultant Ecofys reports a retained reaction by households (Joosen, Harmelink and Blok 2004: xiii), a report by SEO Economic Research insists that the latter have indeed been induced to reduce gas and electricity consumption in the period of investigation (1996 – 1999) (Energieonderzoek Centrum Nederland (ECN) 2001: 3f).

Flexible mechanisms: emissions trading, JI, and CDM

From very early on, the Netherlands had an affinity for so-called flexible mechanisms. First ideas about using the instrument of emissions trading in the Netherlands date back to the times of the Second NEPP. In early 2000,

when the 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 be taken seriously as a potential model for the European scheme. Instead, 'first movers' UK and particularly Denmark largely determined the shape of the Commission's proposal and the later Directive (Knill and Liefferink 2007: 133–39; Veenman and Liefferink 2005).

The first phase of the EU-ETS, starting in 2005, included a few hundred of the Netherlands' large emitters, partly overlapping with the companies taking part in the Benchmarking Energy Efficiency Covenant. Due to a generous allocation of initial emission rights, the Dutch companies participating in the scheme easily kept their emissions well below the emission ceiling, resulting – with other Member States doing the same – in a plummeting of market prices. Allocation plans for the second phase were evaluated considerably more strictly by the European Commission, however, and the Netherlands was required to cut back its (intended) total allocation from 90.4 to 85.8 million tonnes CO₂, as well as to obligate approximately one hundred further companies to participate in the scheme.

With LTAs mainly focusing on the improvement of energy efficiency, the ETS has by now become the prime policy instrument stimulating actual CO₂ reductions in the Dutch industry and energy sector. The Netherlands was also an early bird with regard to JI and the CDM. As mentioned above, the Netherlands engaged in Joint Implementation even before Kyoto was ratified. Likewise it was the first country ever to make use of CDM in 2001.

Carbon capture and storage (CCS)

Longer than other EU Member States, Dutch governments have shown a special interest in the technique of carbon capture at the source, i.e. 'end-of-pipe' in large combustion plants, and subsequent underground storage. With the declared intention to become a 'frontrunner' in CCS development,³ the Dutch government has decided to spend 80 million euros for further developing CCS and to instigate large emitters, particularly electricity plants, to invest in the technique.

Renewable energy

Compared to other EU countries, renewable energy (RE) has featured less prominently on the Dutch climate policy agenda. In 2006, the RE share in primary energy consumption was stagnating at 2.7 per cent – and thus far below the EU average of *c.* 6.5 per cent. The MNP assigns this to the fact that, in the Netherlands, room for growing biomass or installing wind generators is both scarce and expensive, and that the country simply is too flat to have potential for hydropower (Milieu- en Natuurplanbureau 2007:

70). Nevertheless, the 2007 climate work programme sets a target of no less than 20 per cent renewables for 2020 (Ministerie van Volkshuisvesting 2007).

So far, however, efforts by the authorities to foster the investment climate in this sector have been rather fickle. Unlike in Germany, there is no feed-in law; instead, subsidy schemes have been introduced, abrogated and reintroduced within only few years time. In 2008, a new subsidy scheme, the ‘Stimuleringsregeling Duurzame Energieproductie’ (SDE) has been set up to ensure investors more planning reliability, by promising subsidies rising from 10m euros in 2008 to 336m euros in 2015 (Ministerie van Economische Zaken 2008).

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 European climate policy. In order to be convincing, an international pioneer role has to be backed up by a successful, or at least a forceful policy at the domestic level. Domestic climate policy in the Netherlands can hardly be described in these terms, however. Particularly noteworthy in this context are the instances in which the Dutch showed themselves ready to exploit the loopholes offered by weak international agreements in order to save their own face. This section will explore the sometimes ambiguous links between the Dutch ambitions and efforts in climate policy at the domestic, the European and the international level.

Even 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 European Union (Liefferink 1997). The advent of climate change politics, however, not only offered the Netherlands a further possibility to strive for environmental protection. As it turned out, it was to become one of the fields where the Netherlands, as a geographically small state, was able to play in the premier league with the big ones – by compensating its lack of structural leadership with a seemingly fervent effort to score all the higher on the entrepreneurial and cognitive/intellectual level.

From the beginning, the Netherlands took every chance to make its presence felt and to be at the very start of new developments. Cases in point, discussed in more detail above, are 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 to secure agreement among the EU Member States about sharing the Kyoto ‘burden’, the significant Dutch contribution to the heavy log-rolling at COP-6 in The Hague and COP-6bis in Bonn in 2000–2001, and the pioneering role in developing and mobilising the mechanisms of JI and CDM. The international efforts of the Dutch were based mainly on diplomatic skills, networking and coalition building (or ‘entrepreneurial leadership’) (Andersson and Mol 2002), with the Netherlands often trying to find the common ground between ‘extreme’ positions. Complementarily, however, it tried to persuade by expertise and good arguments. In this respect, the

Netherlands' reliance on science needs to be emphasised. Scientific experts were both engaged by the Netherlands itself and seconded to international institutions such as UNFCCC and IPCC (or cognitive or intellectual leadership). Rather than acting as a lonely forerunner and serving either as an example or as a laughing-stock for its neighbours, the Netherlands quite consistently tried to stimulate joint solutions by playing the role of a constructive pusher (Lieverink and Andersen 1998). As stressed by several interviewees from Environment ministries of other EU countries, moreover, this was recognised and generally positively appreciated abroad.

As has been emphasised time and again by the Dutch government since the Second NEPP, 'active environmental diplomacy' should be based on consistent and credible domestic policies (e.g. Ministerie van Volkshuisvesting 1993: 53; 2007: 57). In climate policy this adage proved very hard to fulfil. Instead of going down or even stabilising, Dutch GHGEs, particularly CO₂, have steadily been increasing until 2004. In the face of this, as described above, domestic targets were repeatedly tempered or shifted to a later point in time.

Arrears in the implementation of domestic climate policy were obscured not only by changing targets, but also by the formulation of some of the key instruments of the policy. Most conspicuously, both the LTAs on industrial energy efficiency and the 1999 Covenant Benchmarking Energy Efficiency deal with energy efficiency only in relative terms, making the effect on absolute emissions ultimately dependent on the development of the economy. In spite of the apparent effectiveness of the first round of LTAs, economic growth and a slight shift in the structure of Dutch industry resulted in an increase of *absolute* industrial energy consumption in the 1990s (Enevoldsen 2005: 170–74).

At the international level, Dutch ambitions did not easily materialise either. Considerable efforts by the Netherlands and a number of other EU Member States to introduce a common CO₂ tax – first within the framework, later with a smaller 'club' of countries – did not bear any fruit. A few years later, the EU's initial proposal to commit the industrialised world to a 15 per cent reduction target, bolstered by the Dutch 'triptych' approach, did not survive the tough give-and-take in Kyoto. Furthermore, attempts to include in the Kyoto Protocol explicit reference to common and coordinated policies and measures, championed particularly by the Netherlands, completely failed (Andersson and Mol 2002: 57ff).

Obviously, it would be futile to ascribe these European and international policy outcomes to 'failing' diplomatic efforts or a lack of credibility in the face of a domestic implementation gap on the part of the Dutch. These outcomes were the results of long and highly complex negotiation processes, in Brussels and elsewhere, involving a large spectrum of parties. As suggested by our interviews, the Dutch difficulties experienced in implementing effective policies at home were hardly even recognised by the international partners. In this context, it must be remembered that the Dutch were

certainly not unique in this regard: severe implementation problems gradually came to the surface almost everywhere.

Much more interesting is what happened at home *after* these somewhat disappointing outcomes had been reached at the European/international level. As it turned out, the Dutch government was ready more than once to use these outcomes to close the gap between its high international ambitions and the tough reality at home. First, although a national CO₂ tax was established after it had become clear that an EU-wide tax was definitively doomed to fail, this unilateral tax had a highly symbolic character. Thus, notwithstanding the lost battle in Brussels, the Netherlands could boast of being one of the first countries in the world to have a CO₂ tax at all, while at the same time not doing any harm to its domestic industry. Second, one can hardly avoid the impression that the Dutch government was actually quite happy with the failure of the minus 15 per cent scenario in Kyoto. Why else did it make such efforts to reduce its share in the final EU bubble to a minimum? As Andersson and Mol remark, this behaviour of a reputed global climate policy 'leader' did not serve as a particularly positive example for other Member States, who perceived it as a licence to relax their ambitions too (Andersson and Mol 2002: 59). A more or less similar effect, finally, may be attributed to the Dutch intention of realising a considerable part of its Kyoto target through JI and CDM abroad. Many other Member States saw this 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.

The examples of the CO₂ tax, the struggle for the lowest possible national burden share and the heavy reliance on JI and CDM, combined with the ambivalent performance of domestic climate policies almost inevitably convey the impression of symbolic, 'cost-free leadership' (Huber 1997). In addition to that, the readiness with which the Netherlands has tended to seize the opportunities offered by 'weak' international negotiation outcomes has strengthened the influence of those outcomes on domestic policy and thus contributed to a relatively high degree of Europeanisation of climate policy compared to other environmental areas (Liefferink and Van der Zouwen 2004). Several key aspects of the Dutch policy in this field have in fact been determined or at least strongly influenced by what happened at the EU level, including the overall reduction target and the package of instruments, notably the limited use of the tax instrument and the introduction of ETS. The latter has now started to interfere with what can be considered the most genuinely vernacular element of Dutch climate policy, the voluntary agreements. In line with this is the strong reliance on EU measures for achieving the Dutch domestic goals, as has been stated by Environment Minister Cramer and was confirmed once again in the run-up to the 2009 Copenhagen climate conference. Interestingly, this reliance does not limit itself to areas which are obviously within the EU's core competence, such as car emissions. With reference to the supposedly greater effectiveness of EU-wide measures, it also extends

to fields where individual Member States could well play a significant role themselves too, such as energy-labelling and eco-design.⁴ Conversely, the Dutch influence on EU policy has, after all, been limited. With the failure of the CO₂ tax, the emissions trading scheme being shaped mainly by other countries and the LTA approach being too strongly tied to the Dutch political culture of negotiation and consensus, the 'trptych' approach probably remains the most visible Dutch contribution to the area.

Conclusion

This chapter has examined if, how and why the Netherlands has acted as leader in climate policy. It has been argued that, generally speaking, domestic performance in this field did not live up to the European and international ambitions articulated by the Dutch. The question may be asked to what extent the observations at the domestic level and those at the European and international level are in fact connected.

Three points can be made in this regard. First, it appears that high ambitions and an active role at the international level are not necessarily based on outstanding policy performance at home. On the one hand, this may be related to the fact that the Dutch international pusher role was based primarily on expertise combined with diplomatic efforts – or 'intellectual' and 'entrepreneurial' leadership, respectively. A pusher role based on 'giving the good example' (cf. Liefferink and Andersen 1998) would quite obviously have required the availability of such examples. Consequently, this type of pusher role was never actually sought by the Netherlands, except perhaps on paper in the earliest years. On the other hand, it must be recognised that most of the Dutch international efforts were orchestrated by the Ministry of the Environment, whereas many operational competences in domestic climate policy resided with other government departments. As it appears, not all of these international efforts were fully coordinated among the departments involved and may in some cases also have been intended by the Environment Ministry as crowbars to push domestically – although not always with the desired effect.

Second, even if the Netherlands rarely referred to domestic 'examples' for convincing the European and international arena and even if poor domestic policy performance hardly caused any reputational damage abroad, the failure to achieve domestic reduction targets, the subsequent efforts to limit to a minimum the Dutch share in the European 'burden' after the Kyoto agreement and, on top of that, the heavy reliance on buying emission rights abroad for realising even that share, did not contribute to the Dutch credibility as a 'climate leader' and raised the suspicion that the Netherlands was cultivating a 'cost-free leadership'.

Finally, the chapter clearly shows that where domestic policies fail, European and international policies take over. Of course, this was so partly because European/international obligations simply filled the gap left by domestic policy failure. However, this appears not to be the whole story. In

this particular case, international policies generally also did not match the initial ambitions. The Dutch government was repeatedly eager to use these disappointing international policy outcomes as a basis for revising domestic policies in order to ‘cover up’ the shortcomings of earlier efforts. As an end effect, climate change ranks among the most Europeanised areas in Dutch environmental policy.

Notes

- 1 Total Dutch emissions of CO₂ (corrected for temperature effects), CH₄, N₂O, HFCs, PFCs and SF₆.
- 2 ‘The main characteristic of the ‘tritych’ approach was its sectoral approach; each Member State was divided into three sectors, namely the light domestic sector, the energy-intensive, export sector, and the electricity generation sector. An emission reduction target in each country was set by adding up the potential for emission reductions in each sector. The EU-wide target was set by totalling these figures’ (Kanie 2003: 236).
- 3 Jacqueline Cramer at the opening of the EON carbon capture test facility near Rotterdam, 3 April 2008 (<<http://www.vrom.nl/pagina.html?id=35749&term=ccs>>, accessed 24 June 2008).
- 4 See also the statement of Jacqueline Cramer at the Public Debate of the 2856th Environment Council Meeting (Council of the European Union 2008: statement at approx. 1h 51min).

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