

ECONOMIC IMPACT OF GLOBALIZATION ON THE ENVIRONMENTAL POLICY OF THE EUROPEAN UNION

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Environmental policy has become an object for description and analysis. A global environmental mechanism intends to promote collective action at the international scale and to build an integrated environmental policymaking and management framework concerning the tasks of a shared global ecosystem. Governments use a number of different types of environmental policy instruments to implement their environmental policies: legislative, technical and economic-financial instruments. The encounter is to combine the environmental protection with continuing economic growth in an over the long term sustainable way. This paper tries to underline that there is an under appreciation of the adaptability of social structures even within economics of environmental policy, to the extent that it is necessary to fully acknowledge and highlight the inborn trade-off between economy and environment.

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1. Introduction

Global environmental policymaking in the last decade has focused more on principles and declarations than on mechanisms for modifying environmental driving sources. The principal focus has been on drafting treaties. Gaps in issue coverage and, sometimes, even contradictions among treaties and organizations with environmental responsibilities have undermine result-orientated actions.

Environmental policymaking combines the identification of a goal with some means to achieve that goal. In practice, these two components are often linked within the political process.

The complex structure of the European Union (EU) generates uncertainties: EU tends to be rather a political concept, while Communities reserve their juridical personality.

Environmental protection is a priority objective of the European Union. This paper analysis incentives and contradictions of action programs and instruments formulated for implementing ecological policy.

2. Environmental Globalization

Globalization requires thoughtful and modern ways. A global environmental mechanism intends to promote collective action at the international scale and to build an integrated environmental policymaking and management framework concerning the tasks of a shared global ecosystem.

There is an under appreciation of the adaptability of social structures even within economics of environmental policy, to the extent that it is necessary to fully acknowledge and highlight the inborn trade-off between economy and environment.

The environment enters in the competences shared between Community and Member States (MS). The Community competence harmonizes with the different national policies.

Nowadays, environmental policy has become an object for description and analysis. The rate of change, both in circumstances as into the beliefs and attitudes of people respecting their environment in every aspect of modern society, during the last century upon government is

reflected in public policies and that related to the human environment and the biosphere has been numerous and rapid since the 1972 United Nations Conference in Stockholm.

The legal base of the European Union's environmental policy⁵¹ is set out in the Treaty on European Union (EU) and is based on Article 174 of the Treaty establishing the European Community. It aims to ensure the sustainable development of the European model of society. Policy concepts such as preventive measures, precautionary principle, the "polluter pays" principle and combating environmental pollution at source have precious importance and are of maximum applicability.

The main objectives laid down in Article 174 are:

- preserving, protecting and improving the environment quality;
- protection of human health;
- prudent and rational utilization of natural resources;
- promoting measures at international level for handling of regional environmental issues.

The European Union is one of the initiators of the United Nations Environment Program (UNEP) creating a strategic approach to the international management of chemicals, takes part to a number of international agreements and partnerships and is a signatory and active participant in the Kyoto Protocol on Climate Change, which entered into force in February 2005.

Its objectives regarding the environment are: control of activities with an adverse environmental impact, protection of air and water quality, waste management, conservation of resources and protection of biodiversity. However, environmental problems were increasing and reaching global-scale proportions through environmental consequences. They have brought an accumulation of national wealth, but also an exceed of the capacity of natural systems to process and neutralize the residual products of modern civilization: contamination of air, water and soil, decrease of the restorative capabilities of over-stressed species and ecosystems often to the point of extinction.

Starting in the 1980s, governments saw the emergence of an international environmental agenda over the next two decades as the first attempt at global environmental governance⁵². Some of the most important accomplishments in the area of global environmental governance are:

- an agenda of the most important environmental concerns has been defined;
- action plans, treaties and international conferences have been developed;
- relevant scientific research has been made;
- campaigns concerning environmental problems supported by national governments, nongovernmental organizations (NGOs), multinational corporations have been launched;
- international environmental affairs has become a major subject of teaching.

Hama Arba Diallo, executive secretary of the United Nations Convention to Combat Desertification (UNCCD) said: "Perhaps the only concept as heavy laden with multiple agendas as globalization is 'sustainable development'".

The European Association Agreement stipulates that Member States development policies must be guided by the principle of **sustainable development**⁵³ in order to achieve a form of

⁵¹ "Policy" is hardly a precise term, but it is used here as defined by the **Oxford Reference Dictionary** (1986) as "a course of action adopted by a government or party or person".

⁵² The definition of the term "governance" has varied according to the scope of decision-making power. There has been a move to a definition under which "governance, at whatever level of social organization it may take place, refers to conducting the public's business – to the constellation of authoritative rules, institutions, and practices by means of which any collectivity manages its affairs" (John G. Ruggie, *Reconstituting the Global Public Domain: Issues, Actors and Practices*, published in *European Journal of International Relations*, Vol. 10, Issue 4, 2004).

⁵³ The word "sustainability" is derived from the Latin *sustinere* (*tenere*, to hold; *sus*, up). The main meanings provided by dictionaries for *sustain* are to "maintain", "support" or "endure". However, since the 1980s **sustainability** has been used more in the sense of human sustainability on planet Earth and this has resulted in the most widely quoted definition of sustainability and sustainable development, that of the Brundtland Commission of the United Nations on

“development that meets the needs of the present without compromising the ability of future generations to meet their own needs” by integrating environmental requirements into the definition and implementation of other EU policies and activities.

The director of the Third World Network, Martin Khor, is a critic of the current globalization process. He supports the idea that the reason for the marginalization of the sustainable development paradigm and of the market paradigm has been “the strong support and aggressive advocacy of the powerful countries” for *both* results.

The needs of all countries, an assurance from the strong to help the weak, the worry about the proper development of the environment and an understanding that the state and the international community must intervene on behalf of the public interest to attain greater social equity and bring about more sustainable patterns of production and consumption, characterizes the sustainable development paradigm on Khor’s behalf.

3. Eco-Economy

As it seems, the expression of **eco-economy** belongs to the American scientist Lester R. Brown. He entitled one of his famous works “Eco-Economy: Building an Economy for the Earth” (2001). From the etymologic point of view, the origins of the term eco-economy come from the Greek *oikos*, which means house, household, habitat, citadel.

Eco-economy is synonym with ecological-economy and it incorporates the recognition of a subsystem resulted from the multiple, objective interaction of two realities: the economic reality and the ecologic reality. The origin of both terms comes from Greek: *nomos*, meaning law and *logos*, meaning science, discourse, order.

The critics of economic globalization see in the process of globalization an exacerbating of environmental problems. Economic globalization leads there for to:

- a decrease in the ability of national governments to cope with environmental management problems;
- an increase in corporate power and reach;
- an enlargement of environmentally destructive growth;
- the stimulation of particular sectors that have negative side effects;
- the commodification of resources such as water.

On the other hand, within globalization, environmental quality can be achieved through the strengthening of environmental management by improving capacities in government to manage economic affairs. It can lead to increased incomes, which in turn can lead to governmental revenues for social and environmental programs, and to an increasing international trade in resources. The Nobel economist Joseph Stiglitz has noted the result to be that “globalization today... is not working for much of the environment.” Nor, in his view, is it “working for many of the world’s poor” or “for the stability of the global economy.”

4. Environmental Policy Instruments

Governments use a number of different types of environmental policy instruments to implement their environmental policies: legislative, technical and economic-financial instruments.

The **legislative instruments** create the legal framework of the Community policy for the environmental protection. They consist of over 300 normative acts (directives, regulations and decisions), that have been adopted beginning with the 1970s; the so called *acquis communautaire*.

The term *acquis communautaire* of environment represent both the entire legislation as the whole of the policies and institutions created to certify the continuous application and development of

March 20, 1987: “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (<http://en.wikipedia.org/wiki/Sustainability>).

this legislation. Regulations with an horizontal character that facilitate the process of making a resolution, developing and involvement of the civil society in the protection of the environment, and the regional legislation that refers to all the regions that make the object of environmental policies, are the categories of regulations included into the *acquis*.

According to the EU legislation, the *acquis* comprises “legal instruments covering a wide range of fields, including water and air pollution, the management of waste and chemicals, biotechnology, radiation protection and nature conservation”. Environmental impact assessment has to be carried out by the MS before certain public and private-sector development projects are approved.

The **technical instruments** ensure the proper keeping of the quality standards concerning the environment and the use of the best reachable technologies. This category consists of the following instruments:

- standards and emission limits;
- the Best Available Technologies (BAT);
- the *eco* denomination (eco-labeling);
- criteria for environment inspection in the MS.

The **economic-financial instruments** are represented by different programs, such as:

- **LIFE+** program: technological projects with environmental benefits, projects contributing to the implementation of the EU's Birds and Habitats Directive and to the EU's goal of halting the loss of biodiversity and projects that spread information about environmental issues, such as climate change and conservation.

- **Structural Funds** (European Regional Development Fund (ERDF) and European Social Fund (ESF)) and **Cohesion Fund**: financial instruments of EU's regional policy which aim to restrict the development disparities among regions and MS. The Funds participate in pursuing the goal of economic, social and territorial cohesion. For the period 2007-2013, the budget allocated represents 35% of the Community budget and is the second largest budget entry.

Economic driving forces and **market-based instruments** (MBI) are very effective to inspire accordance with the environmental policy. They are often defined, such as in the *Oxford Reference Dictionary*, as “instruments or regulations that encourage behavior through market signals rather than through explicit directives”.

These policy instruments, MBIs, such as environmental taxes, tradable permit systems or targeted subsidies, are a cost-effective way to protect and improve the environment and are often described as “harnessing market forces” because they encourage firms (and/or individuals) to undertake control efforts that are gaining acceptance as important policy mechanisms for achieving environmental protection goals.

5. Conclusions

A global environmental mechanism intends to promote collective action at the international scale and to build an integrated environmental policymaking and management framework concerning the tasks of a shared global ecosystem.

Gaps in issue coverage and, sometimes, even contradictions among treaties and organizations with environmental responsibilities have undermine result-orientated actions.

The eco-economy incorporates the recognition of a subsystem resulted from the multiple, objective interaction of two realities: the economic reality and the ecologic reality. Within globalization, environmental quality can be achieved through the strengthening of environmental management by improving capacities in government to manage economic affairs.

The strategies of governments improve the quality of the environment and they support the Member States and regional and local authorities in implementing policies and environmental legislation. Legislative, technical and economic-financial instruments represent different types of environmental policy instruments to implement governments' environmental policies.

On the other hand, the critics of economic globalization see in the process of globalization an exacerbating of environmental problems. The goal that wants to be achieved in liberalized trade and investment flows should be complemented by efforts in the environmental and social areas. The encounter is to combine the environmental protection with continuing economic growth in an over the long term sustainable way.

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