Europeanization in a Context of Enlargement

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Preface

Compared to earlier experiences in the academic field – however modest – completing this thesis has been a highly challenging as well as rewarding task. While the full and sole responsibility for these pages lies with me, the end result has been enriched by assistance from a number of people. I would like to express my gratitude to the following contributors:

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Abbreviations

AP: Accession Partnerships
CEC: Central and Eastern European Countries
EA: Europe Agreements
EC: European Communities
EEA: European Economic Area
EFTA: European Free Trade Association
EIA: Environmental Impact Assessment
EU: European Union
IPSA: Instrument for Structural Policies for Pre-Accession
NGO: Non-Governmental Organization
NPM: New Public Management
PHARE: Pologne, Hongrie, Assistance à la Restructuration Economique
SAPARD: the Special Accession Programme for Agriculture and Rural Development

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1 Introduction

1.1 Background

As the European Union (EU) has developed, both in terms of size and with respect to the profundity of its integrative ambitions, there have been different opinions as to how this development has affected the various Member States. A central ingredient in the more general debate on Europeanization has been the evaluation of whether central administrations of the Member States have in fact converged towards any unified ‘EU-model’ (e.g. Börzel and Risse 2000; Jordan and Liefferink 2002; Olsen 2002, 2003). Naturally, to measure such a development adequately is by no means an easy task, resulting in somewhat different interpretations. Still, a main finding in the literature seems to be that

(…) there has been no revolutionary change in any of the national systems and no significant convergence towards a common institutional model homogenizing the domestic structures of the European states (Olsen 2002: 934-935).

In May 2004, the most extensive enlargement in the history of the EU is due. Ten new Member States with a total population of 105 million will transform the organization as we know it today. Even more interesting in this context is how the EU will affect the Acceding Countries. It is not difficult to see that the circumstances surrounding the forthcoming enlargement are indeed exceptional. Of the ten newcomers, seven are Central and Eastern European Countries (CECs) with a state socialist heritage,¹ very much influenced by the Soviet Empire and its communist ideology. Due to the severe de-legitimatization of their political systems, following the events in 1989/90, general expectations have been that of a radical break with the past and a convergence towards West European political and administrative systems (Grabbe 2001: 1014).

However, as several studies have already indicated (Caddy 2000, Goetz 2001, Grabbe 2001), reality has not lived up to these *a priori* expectations. National administrations certainly exhibit EU-polity features; another issue is to what extent they make an impact on actual policy-making. According to these studies, EU influence has failed to make any comprehensive impact on national policy-making and administration. So far, experience seems not to deviate from the pattern found in the existing Member States – one of limited convergence. A common explanatory factor in these findings is the weight of the institutional structure and culture inherited from the countries’ socialist past. Apparently, these are not easy to mould and change by design, even under benign circumstances.

In an attempt to shed some further light on effects of EU influence on the Acceding Countries, I have chosen to study more closely how Hungary has changed its legislation and practice in one particular field of environmental policy, in order to comply with EU demands. Studying implementation in a country that is not yet a full-fledged member of the Union may sound like an exercise in futurology – fortunately, this is not the case. Hungary-EU relations date back to 1988 (Lippert et al 2001: 985) and they have continuously developed ever since. As part of the preparations for membership, the country has harmonized and adjusted national policy in all sectors to conform to the EU demands of compliance with the *acquis communautaire*\(^2\) prior to entering the Union. Moreover, Geoffrey Pridham (2002: 958) makes a point when he claims that the EU’s direct leverage over the Acceding Countries is at its height *before* the date of entrance. Grabbe (2001: 1014) contribute with similar arguments for extending academic concerns to the Acceding Countries:

> Previous studies of Europeanization have almost exclusively dealt with countries that have already joined the EU (...) yet the EU exerts similar pressures on the applicant countries.

\(^2\)“(…)denotes the whole range of principles, policies, laws, practices, obligations and objectives that have been agreed or that have been developed within the European Union” (Bainbridge 2000: 4). Will be referred to simply as the *acquis*. 

2
Many of the phenomena identified in the Europeanization literature can also be seen emerging in CEE (...), but the EU's influence on applicants has the added dimension of conditionality and a negotiating process.

1.2 **Subject of analysis**

This thesis is a case study of Hungarian experiences with Environmental Impact Assessments (EIAs). This is a rather new policy instrument in a Hungarian context, but it has been used throughout the 1990s and has also been revised quite a few times. Its latest amendment has been accepted as complying fully with the EU requirements as expressed in Directive EC 97/11 (European Council 1997). My concerns are twofold; to evaluate Hungarian EIA regulations and practice in search of changes since it was introduced and to assess whether changes can be attributed to pressure from the EU. In order to enrich the analysis with a comparative perspective, some experiences from Norway are included in the analysis.

These choices demand some justification; three questions in particular need to be asked and answered:

1.2.1 *Why environmental policy?*

When interested in differences in style and structure between EU policy and former state socialist governance, environmental policy seems like an interesting field. Expectations are that differences will be particularly prone in this policy field. Thus, challenges in terms of anticipating convergence are perhaps greater here than in other policy sectors.

During the last ten to fifteen years, EU environmental policy has been going through some fundamental changes. Sustainable development is the most important concept in a new approach where focus is on *prevention* rather than reaction, and *integration* of environmental concerns into other policy sectors.

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3 See e.g. EU’s 5th or 6th Environmental Action Programme (European Parliament and the Council 1993, 2002).
(Weale et al. 2000: 144). Another, and perhaps even more fundamental, is the shift in emphasis from policy formulation to policy implementation, which shows in the choosing of new and innovative policy instruments that are believed to improve environmental conditions (Knill & Lenschow 2000b: 3-4).

On the other hand, Marxist ideology underpinning communist rule emphasized economic growth, industrialization and technical progress. Within this worldview, nature was seen as an obstacle to progress, an aberration to be dealt with by tools made available through scientific and technical advancement (Baker and Jehlicka 1998: 6). Also, particulars of the structure of the political system hampered a sound managing of environmental problems. The highly centralized systems required top-down, command-driven approaches with little room for flexibility and alternative solutions. Finally, while environmental legislation was put in place, implementation remained weak. A single authority was often both the source of pollution and responsible for prevention (ibid.).

No doubt, the differences between the two approaches call for major adaptive challenges. However, these introductory comments are of a highly general nature, downplaying specific national experiences which are certain to show a much more differentiated picture.

1.2.2 Why Environmental Impact Assessment?

The most important reason for choosing this policy instrument is that the EIA Directive serves as a vivid illustration of the EU approach to environmental management, and that national legislation in Hungary is regarded to be in compliance with the Directive. Thus, chances are that it will work as an interesting test of implementation challenges in the interaction between EU’s environmental approach and the environmental policy of the former state socialist states joining the Union.

4 Ironically, this aspect of Marxist ideology holds much in common with an Enlightenment approach, which inspired Western capitalism and also resulted in environmental degradation.
In short, EIA procedures shall provide for systematically identifying, investigating and documenting expected environmental impacts during the planning of private and public projects. Projects that are believed to have significant effects on the environment shall undergo EIA procedures (European Council 1985, 1997). All affected parties shall be consulted, and the results of this analysis and consultation must be taken into account in preparing and adopting the proposed activities (Cherp 1999: 14). This is a decentralized, process-oriented and participative approach with a focus on prevention and integration of environmental considerations into sector policies. As such, it reflects an EU policy of sustainable development.

1.2.3 Why Hungary?

As the seven Acceding Countries with a state socialist past are not yet members, the challenge of creating an adequate research design is quite evident. In this respect, choosing a country with a history of being a front-runner in the Accession process seemed natural. Hungary has definitively been one of these ever since the process started formally with the signing of the Europe Agreement in 1991, establishing an associated status for Hungary to the EC. Further, EIA legislation has existed since the early 1990s and has been revised and updated continuously, at the latest in 2001. Finally, Hungary is something of a critical case in the sense that it is perhaps the former socialist state with the highest density of historical ties and links with Western Europe, possibly making it the case with the best prospect for successful adaptation. Thus, aspects that are problematic in a Hungarian context might indeed prove difficult for the six other CECs.

However, the question of evaluating adaptation and national practice demands a measure with which to compare the Hungarian case. This is why Norwegian experiences with the same policy instrument will be – if somewhat eclectically

5 European Communities, the official name until the Maastricht Treaty (1992) introduced the term EU.
– presented in the analysis as a comparative element. Norway is chosen because it has a typical Western approach to environmental policy with a focus on sustainability and with strong traditions for administrative transparency and public participation. In addition, Norway has the same obligations with respect to conforming national policy to the EU EIA Directive as Hungary. Even though Norway is not a member of the Union, this legislation falls under the EEA (European Economic Area) agreement, of which Norway is a part through its membership in EFTA (European Free Trade Association).

1.3 Analytical framework and research questions

1.3.1 Background Ideas

In trying to explain Hungarian EIA policy, the point of departure for this thesis is a theoretical model presented by Tom Christensen and Per Lægreid in their book on New Public Management reforms (2001a). They present a general framework for understanding processes of institutional change which is based on work of Johan P. Olsen, e.g. “Analyzing Institutional Dynamics” (1992). Three perspectives identify different mechanisms for institutional change. These are the institutional environment (environmental determinism), the cultural-institutional traditions of the country (in ways of the defining norms and values) and finally the national polity features as seen in constitutional and structural factors (Christensen and Lægreid 2001b: 2-3). An adherent to environmental determinism would presuppose Hungarian adjustments in accordance with pressure and advice from the EU, no matter how challenging the demands were. Contrary, a belief in the nationally based perspectives reflects an “institutional robustness hypothesis” (Olsen 2003: 507), indicating that Hungary would behave according to tradition and the way their political system worked, more or less independent of external pressure. Emphasizing the complementary qualities of these explanations, Christensen and Lægreid present a transformative perspective:

6 NPM.
A transformative perspective denies both the optimistic position that wilful political reform actors have full, comprehensive insight into and power over reform processes and the fatalistic position that they have no possibility of influencing reforms through political choice (Christensen and Lægreid 2001c: 24).

Another contribution in this line of reasoning is provided by Christoph Knill (1998). He claims that implementation effectiveness depends not only on European adaptation pressure but also on the embeddedness of the respective administrative traditions and national capacities for administrative reform. Thus, reform actors work in a context of constraints and opportunities created by the abovementioned factors, placing the transformative perspective in a strong tradition of acknowledging the importance of institutions for human behavior. Surely, individuals act, but they do so within an institutional context. The theoretical framework of this thesis is thus relying heavily on aspects of the New Institutional theory (e.g. DiMaggio & Powell 1991; March & Olsen 1989; Olsen 1992; Meyer & Rowan 1977; Peters 1999; Scott 2001).

However, acknowledging an important insight from organizational theory, I choose to treat the two perspectives on the national level as one and the same. This maneuver is based on a reflection that the most important determinant of more informal norms and values in an institution may in fact be the formal, structural organization.

From an organisational perspective, the extent to which institutions might impinge profoundly on people’s pre-established mind-set and loyalties has to depend on how these institutions are organised (Egeberg 2001a: 3).

A theoretical framework such as this is very much contextual, claiming that reform processes and effects will be different even if the reform content is the same for many recipients. They are literally filtered through the various institutions in the political-administrative regimes of the Member States or, in this case, the Acceding Countries. These are, of course, distinctly national and firmly embedded in individual, national experiences.
Environmental Pressure
EU policy – EIA Directives
  ↓
Institutional Autonomy
  ↓
The case of Hungary
  ↓
Hungarian EIA Legislation and Practice

Model 1: A (revised) transformative perspective applied to the case of Hungarian adaptations to EU EIA policy

Treating the two explanatory perspectives in this model as independent variables\(^7\) and Hungarian EIA legislation and practice as the dependent variable, it is possible to present more detailed assumptions concerning expected finding in the analysis.

1.3.2 Environmental Pressure: EU Policy

The demanding EU conditionalities throughout the negotiation process were a main reason for assuming that the Acceding Countries would change their national political-administrative systems to a higher degree than practice has been in the present member states. The EU has been able to achieve a qualitatively stronger say in governance issues in these negotiations than in any former enlargement procedures. This is due to the highly asymmetric power distribution between the negotiating parties, in favor of the EU side (Grabbe 2001). Generally, the applying countries have been quite eager to join the Union, expecting considerable financial and other gains. At the same time, the Member States have been rather reluctant or at least ambivalent to the prospects of including countries that are financially less apt and politically and institutionally more unstable (Baker & Jehlicka 1998; Homeyer 2001). Thus, the bargaining position of the EU has invited to a comprehensive list of

\(^7\) Or rather, as the independent and the intermediate variable. Both will be referred to as the independent variables throughout the analysis, however.
demands before admitting the CEC to the Union. Because of the EU demand that all applicants have to comply with the acquis in advance, Hungary also had to adapt national policy to the EIA Directive. The particularly strong environmental pressure induced many to believe that new, Western administrative procedures would be established swiftly and easily (Goetz 2001).

However, the EU as a political system is based on national implementation of its policy. Most EU legislation, including the directives, is general in character and predominantly focused on goal achievement (Nizzo 1999: 5). Although the EIA Directive is more process-oriented than the average piece of EU legislation, there is still room for considerable national variation in implementation practice. This is even valid when taking into account that the EU has been involved more directly in governance issues in the Acceding Countries than ever before (Grabbe 2001).

Obviously, the EU is not the only external determinant of Hungarian environmental policy in general and EIA policy in particular, although it is the main focus in this thesis. Other international organizations and conventions, in addition to bilateral relations with likeminded countries, also affect national policy. The Environment for Europe process is the broadest approach, involving OECD, the EU and CASs, as well as major international finance institutions and a number of NGOs (Klarer and Moldan 1997: 28). Another important part of the institutional environment is the general hardship that has been part of everyday life in Hungary since the end of the socialist regime. This may have attributed to even poorer soil for environmental considerations. Adhering to the difficulties in establishing causal relations is a huge challenge. In this analysis, efforts are done to isolate the various ways in which the EU influences Hungarian environmental policy.

8 Non-Governmental Organization.
1.3.3 **Institutional Autonomy**

The socialist legacy has left its marks on all the Acceding Countries, although to varying degrees. The way these societies were organized, politically and economically, imprinted specific views, values and roles of behavior that are quite fundamental to people’s identity (Knill and Lenschow 2000c: 270). Centralism, state control and politicization of society are some common keywords with which to describe the socialist Central European Countries.

There are many aspects of a nation’s political-administrative system that would be interesting to scrutinize. Because of the character of the EIA as a policy instrument, the focus in this dissertation will be with characteristics of the *vertical and horizontal organization* in the Hungarian public administration as well as *the links with the public*, meaning consultation with and participation by affected stakeholders in the civil society. Thus, I am both interested in aspects *within* the political-administrative system as well as aspects of the *interaction between* the system and external actors. As indicated earlier, this includes institutionalized values, and not only the structural set-up. Another motive for choosing these aspects is that they are perceived as weak spots in countries with a state socialist heritage.

1.3.4 **Research questions guiding the analysis**

Having presented the relevant variables, it is possible to present some hypotheses or research questions that may be subjected to empirical testing. When it comes to Hungarian EIA practice, two main assumptions will guide the forthcoming analysis. The first is descriptive in character, while the second is predominantly explanatory.

1. EIA regulations and practice in Hungary has indeed developed and changed since its introduction in the beginning of the 1990s. However, I also expect continuity; traditional national solutions will to a large degree still be intact.

2. The updated EIA legislation clearly illustrates the demands to comply with EU policy. Developing practice is also informed by the influencing power
of relations with the Union. However, some important aspects will prove a
great practical challenge to Hungarian administration, particularly in the
fields of vertical and horizontal co-ordination and in the interaction with
civil society. These are fields where EIA is highly demanding, at the same
time as they are identified as weak spots in the administrations of former
socialist countries.

Worth noticing is the level of continuity predicted. As commented on earlier,
*expectations* have so far been otherwise, due to a severe de-legitimization of
the political system following the changes in 1989. An *institutional robustness*
hypothesis makes exceptions for institutions experiencing performance crises;
these are the moments when comprehensive changes may be achieved.
Deeming by analyses so far, however, the robustness hypothesis may be
extended; it is not necessarily constrained to the more stable and stronger
democracies of Western Europe. If more analyses confirm continuity in CEC
institutions despite EU pressure to converge towards Western administrative
traditions, the institutional robustness hypothesis may increase its ambitions of
*generalization*.

1.4 **De-limitations and structure of the thesis**

On the one hand, this is a snapshot of Hungarian environmental policy and EIA
practice as it works today, with a focus on the effects of EU policy. On the
other hand, elements of a process approach are also included. Studying the
 Hungarian EIA history and the development towards the practice of today is
also necessary in order to describe institutional characteristics surviving the
*ancien regime*. Further, as the independent variables include institutional
characteristics of a particular political system, thorough contextual information
is needed in order to ensure an understanding of the case. Thus, the time frame
for this thesis goes back to the socialist era. The period with EU-Hungary

\[ \text{9 1948-1989.} \]
relations, starting in 1988, marks the more specific time frame, crucial as it is in evaluating the matter of change versus continuity and EU influence.

The theoretical framework will be thoroughly presented in the next chapter, along with methodological considerations of qualitative case studies. Chapter three is a description of EU-Hungary relations, while four, five and six are devoted to descriptions of institutional histories, environmental policy in general and EIA policy in particular in each of the two political systems. In chapter seven, the two research questions are analyzed on account of the preceding theoretical and empirical chapters. Finally, chapter eight summarizes and concludes, and also indicates some lessons learned and possible future pathways to improve our understanding of the subject even further.
2 Theoretical Framework

The purpose of this chapter is to design an analytical framework for evaluating and explaining Hungarian implementation of the EU directive on EIA. First of all, however, I will specify the use of the dependent variable somewhat further.

2.1 Defining the Dependent Variable

It is not adequate simply to state that Hungarian implementation of the EU directive on EIA is the dependent variable of this thesis. The concept of implementation may be used and interpreted in a number of ways, ranging from formal transposition of national law to achieving the ultimate policy goals, e.g. improving the environment. In this case, to delimit the analysis to formal transposition of national law would not make much sense, as long as the research questions are intimately connected to actual practice. This is not to say that the formal transposition is unimportant, as it may prove a valuable yardstick when measuring change and indeed influence of the EU requirements. The fact that the latest Hungarian legislation is deemed adequate does not change this. A complete evaluation of implementation output, however, demands that “(…) the formal transposition and the practical application of institutional and instrumental changes correspond to the objectives defined in the European legislation” (Knill and Lenschow 2000b: 11, my italics).

This definition, comparing compliance on the ground with what was decided from above, is more narrow than a definition that equates successful implementation with the achievement of the desired policy outcomes (ibid.). As the assumption that there is a direct causal relationship between policy objectives, instruments and outcomes is rather controversial, I choose not to include the outcome dimension. With the scientific uncertainties and the complex socio-economic frames in transitional Hungary, a certain degree of cautiousness seems to be in order.
Even though a study of actual changes in environmental conditions is not included, it follows from the focus on institutional culture that actual changes in behavior of those affected by the policy instrument has a natural place in the thesis. This is also part of the *raison d’être* for the EIA process:

The EA [EIA] process has been widely viewed as a tool of making traditionally centralised, closed and authoritarian decision-making procedures more transparent, participatory, decentralised, and accountable (Cherp 2001: 369).

Naturally, an analysis of behavioral changes following from EU influence on national policy has to be rather tentative as long as Hungary still has not entered the Union. However, EIA processes have been in work for more than a decade, and the efforts to harmonize national legislation and practice in order to meet EU standards have been progressively strengthened during this time.

2.2 **Explanatory Perspectives**

Following the theoretical model presented in the introduction, two perspectives on mechanisms for institutional dynamics may explain national responses to external adaptive pressure. *Macro-* and *meso-*perspectives, denoting respectively *environmental determinism* and *institutional autonomy*, place constraints on and create opportunities for deliberate instrumental actions undertaken by political and administrative leaders (Christensen and Lægreid 2001: 24). By themselves, they predict different development paths and different results; seen together, they constitute the substance of a *transformative perspective*.

2.2.1 **Environmental determinism**

All organizations, be it a local football club or the executive of a nation-state, have an organizational field, or organizational relatives, surrounding them and affecting them. Organizations look to this environment in order to stay well adapted and competitive. The most common organizational structures, as well as the dominating norms and values, ought to be adhered to if one wants to survive.
It is not difficult to find empirical cases to illustrate the explanatory power of this perspective. The way organizations like hospitals, schools or churches are organized is remarkably similar everywhere, implying that there is some common understanding of how best to accomplish the goals of each of these institutions (Scott 2001: 153). As European integration has developed, studies of changes in nation-states have unavoidably circled around the concept of Europeanization, emphasizing the importance of the EU in the environment. Important features are thus a focus on similarity and isomorphism within the same organization field, notwithstanding the potentially different societal context of the individual organization. In its extreme appearance, the perspective called environmental determinism presents a highly de-contextualized image of how changes come to be.

There are differing views on the reasons for organizational isomorphism. Two classic explanations are named the technical environment and the institutional environment (e.g. Meyer and Rowan 1977; Olsen 1992).

The concept of population ecology (Peters 1999: 101-102) expresses the workings of a technical environment quite well. Changes in an organization occur because of demands from the environment to improve performance. Solutions in the environment are copied because they have proven to provide results and efficient management. Organizations that choose not to adapt will loose in the fierce competition and cease to exist, independently of individual attempts to improve performance. Thus, the technical environment is the most important determinant for organizational survival.

The institutional environment places less emphasis on the importance of instrumental performance and more on institutional legitimacy. This mode of thinking, originating in the work of John Meyer and Brian Rowan (1977) marks an important contribution to the new-institutionalist framework. In order to survive and flourish, organizations need to reflect rules and values that are
important in the institutional environment. Public institutions today have to give the impression that they are modern, efficient and customer-oriented. The question is not whether they actually possess these qualities, but if they manage to exhibit them. *Legitimacy* is the prime keyword; organizations secure their survival not by instrumental efficiency as much as institutionalizing the correct rules and values. Organizations that fail to become isomorphic with the environment in this sense will lose their support and wither away.

Within the wider concept of the institutional environment is *coercive isomorphism*, defined as both formal and informal pressures exerted on organizations by other organizations upon which they are dependent (DiMaggio & Powell 1991: 67). Organizations do not adapt to the environment from expectations of improved performance, but because they are somehow obliged to do so due to a dependency on actors in the environment.

In their book on New Public Management, Christensen and Lægreid (2001: 24) capture the differences between the technical and institutional environment quite elegantly:

(...) the deterministic pressure from the environment might mean that these reforms are really the most effective and efficient ones; but it might also mean that NPM is a myth or a fashion.

**2.2.2 Institutional Autonomy**

This perspective shows a different understanding of organizational conduct, emphasizing rules and values internal to the organization as important sources to the behavior of its members. As the perspective called the *institutional environment*, this is also a part of the wider concept known as the *New Institutionalism*, created as a reaction against the focus on individualistic and largely utilitarian assumptions and methodologies in political analysis (e.g. March and Olsen 1989).\(^{10}\)

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\(^{10}\) The New Institutionalism is a very broad concept, encompassing disciplines like sociology and economics. In this context, however, I focus on its importance to political analyses.
One of the most important preconditions for understanding the logic of institutional autonomy lies in the distinction between the two concepts of organization and institution. An organization may be understood as “(...) the structural expression of rational action” (Selznick 1948 in Scott 2001: 23); “as a mechanistic instrument designed to achieve specified goals” (Scott 2001: 23). Thus, an organization is understood quite narrowly, de-emphasizing social characteristics of its participants. Over time, however, organizations normally grow more complex due to their continuous interaction with the environment. Informal norms and practices that develop provide the organization with a broader repertoire for handling major challenges (Egeberg 2001a: 8). This is a process of institutionalization, where the organization eventually creates a distinct identity. The crucial sign of this transformation is when the organization becomes “(...) infused with values beyond the technical requirements of the task at hand (Selznick 1957: 17). By this process, an institution becomes more viable and resistant towards change; the norms and values in an institution become important for their own sake and not only in order to achieve the formal tasks of the organization. This is why institutions may continue to exist even after having outlived their originally intended functions, while organizations are easier to handle in processes of reorganization. The best example may be the persistence of the sovereign state as an institutional stronghold in a world which, in functional terms, cries for more appropriate forms of organization (Krasner: 1998).

Comparing these thoughts with the environmental determinism perspective gives a rather intuitive understanding of the differences in approach. While a focus on the environment of the institutions provide a functional understanding of a history that is efficient, an emphasis on the institutionalization process denies such an interpretation, claiming that institutions do not necessarily adapt according to changes in the environment. While environmental determinism focuses on the isomorphic tendencies in organizational fields, a theory of
institutional autonomy emphasizes the distinctiveness of organizations that are institutionalized. Each organization has its own history and organic development (Selznick 1957), making it robust against any pressure from the environment. In general, policy design and deliberate reform attempts are deemed unrealistic in this tradition. Comprehensive reforms are only believed to be possible in periods of critical performance crisis, when there is a gap between the values of the institutions and the surrounding community.

Among the many branches of institutionalism, there are differing views on what mechanisms that trigger processes of institutionalization. Selznick’s classic contribution “Leadership in Administration” (1957) emphasizes the importance of informal interaction in the process. People working in an institution have complex personalities and role identities that go far beyond the formal role they play in the institution. Through interaction with people in the environment and within the institution itself, informal norms and values grow as a supplement to, or possibly as a constraint to, the formal structure (Selznick 1957: 8).

An organizational approach (e.g. Simon 1965; Egeberg 2001a, 2001b) is more focused on the importance of formal structure in explaining patterns of behavior. The notion of “bounded rationality” (Simon 1965) goes to the core of this theoretical perspective, a concept that highlights the limits to the mind’s cognitive capacities. Actions and decisions made in an organization are based on a small extract of all information available, making it crucial to understand the selection mechanisms and filters that are at work (Egeberg 2001b: 3). In this perspective, the organizational structure is believed to be crucial, perhaps the most important of these mechanisms. It matches the individuals’ need for simplification through specifying who are expected to do what. “Thus, the structure broadly defines the interests and goals that are to be pursued, and the considerations and alternatives that should be treated as relevant” (Egeberg 2001b: 4). In short; where you stand depends on where you sit.
Intuitively, an emphasis on the determining effect of formal structure on behavior seems to support a view that changes in an organization or an institution may be achieved easily and straightforwardly. However, an organizational approach does not contradict an institutional approach that highlights robustness towards change. Rather, it is a specification of what norms and values or which identities may be evoked in different organizational contexts. According to an organizational approach, this is not accidental or determined by strong personalities or environmental pressure. The most important guide for undressing the institutional ‘layer’ of an organization is to understand the functioning of certain organizational features. Over time, the organization may develop a specific identity and values beyond what is required to perform its functions, but it is most likely that these will reflect the normative structure of the institution. This point is also emphasized by Hall and Taylor when describing institutions as “(…) formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity…” (1996: 957, my italics). In this way the two perspectives may be seen as complementary or even as describing different phases in the life of an organization. Perhaps this is what lies beneath when Egeberg (2001: 12) states that “(…) changing the organizational structure of an institution can not, however, be expected to have the same degree of impact on actual decision behavior as changing the structure of an organization”.

It is possible to give a very appropriate example of the complementary qualities of the abovementioned perspectives. According to both these approaches, institutional behavior follows a “logic of appropriateness” (March and Olsen 1989), where individuals and organizations enact identities by adhering to rules and procedures they imagine as appropriate to the situations they are facing (Christensen and Røvik 1999: Introduction). This is opposed to a “logic of consequentiality” (March and Olsen 1989), where the behavior of individuals
and organizations is determined by an assessment of consequences, choosing the most advantageous path.

Thoughts containing elements from cultural theories (Selznick) as well as argumentation highlighting the more structural context emphasize the complex identities of the actors in an organization. The formal role to which an individual is assigned does not give all the answers as to how to act in every situation. However, over time and through repeated interaction both with actors in the environment and within the organization, actors respond in almost intuitive ways. This is because they feel comfortable with what is essential in the role they perform. They know which identity to bring to the forefront. A natural consequence of such a perspective on behavioral motivation is a belief in changes of an incremental character. When faced with new and unfamiliar situations, the natural response is to interpret and adjust them according to well-known routines (March and Olsen 1989: 34). One question unavoidably arises; what specific mechanisms are important in choosing the appropriate way to act? This is where an organizational approach may complement or specify a more cultural-oriented approach:

We claim that the identity related to the formal structure, role and function is dominant over culturally developed identities inside the organizations or external social statuses, which are subordinate to formal conditions and less relevant for decision-making (Christensen and Røvik 1999: 165).

For instance, the meaning of organizational demography vividly illustrates this point. Basic personal qualities are believed to have a potential impact on the decision behavior of individual actors, making socialization an important restraining mechanism. The intention is to make new actors internalize role expectations and additional norms and values central to the organization. Over time, socialized members identify themselves strongly with the organization and advocate its interests automatically in the sense that these interests are taken for granted and legitimate without further consideration (Egeberg 2001b: 8). Thus, a logic of appropriateness comes into being with help from organizational features.
Naturally, the normative structures of political-administrative systems do not originate in a vacuum. They are determined by the historical and political context, reflecting the broader interests and goals that are to be pursued. The fact that there was no ministry with a main responsibility for environmental matters in Hungary until 1987 (OECD 2000: 41) reflects a political choice or priority. Although a choice of normative structure reflects an overly optimistic belief in the possibilities of political design, it certainly has consequences. As discussed previously, it works as a frame for the institutionalization process by guiding the cognitive processes of the actors. A similar way of thinking is presented in what is called historical institutionalism, where the basic idea lies in the concept of “path-dependency” (Krasner 1988). The choices made when an organization is formed have a continuing and largely determinate influence over the policy far into the future (Peters 1999: 63). The centralized planning systems in the former state socialist countries gave little power to the local government level, impacting on today’s efforts to live up to strict demands from the EU on the issue of practical implementation. Thus, a historical institutionalist approach may seem to focus as much on implications of a structural set-up as an organizational approach, although in a somewhat different way. It may seem more direct, less focused on cognitive processes than on functional repercussions of structure. However, the role of ideas also plays a central part in historical institutionalism, strengthening the endurance and persistence of institutions (Peters 1999: 66). Further, the way in which individuals intuitively choose how to act appropriately in a complex situation may also be understood as path-dependency, where traditional standard operating procedures inform the act.

By highlighting some characteristics of organizational theory and different strands of institutional theory, I hope to have justified my simplification of the model by Christensen and Lægreid (2001), treating the historical-cultural norms and values and the structural factors under one heading. The historical
and political context decide the outlook or the normative structure of the political-administrative organization, and this in turn has an influence on the institutionalized norms and values encapsulating the organization. The formal structure is both important in itself, creating constraints and opportunities for patterns of interaction, and in this more indirect way of guiding the institutionalization process.

A focus on the importance of the institutional environment presupposes changes in line with the dominating forces in the environment, independent of the defining features of the recipient. This is called a de-contextualized approach to institutional reforms. If focus is more on the institutions themselves and the specifics of these systems compared to what is imposed on them from the environment, expectations in ways of changes are more cautious. Using this perspective as a filter through which external reform attempts have to pass, the analysis becomes contextualized, expecting different national configurations dependent on an evaluation of the fit between the contents of the reform and the characteristics of the institutional systems it is supposed to be implemented in. As such, the theoretical framework on which this thesis rests is a transformative perspective.

2.3 Deductions of expected empirical findings

2.3.1 Expectations from an environmental-deterministic perspective

Having argued that the EU and its policy is an important part of the environment for the Hungarian political-administrative system, the assumption that follows is that the case of Hungarian EIA will reflect this by working according to EU requirements. This applies to the legislation as well as to the practical application, in line with the EU focus on practical implementation of its environmental policy. Hungary’s status as Acceding Country does not make the EU pressure less forceful than what is the case for Member States. On the contrary, the Acceding Countries have to prove ready to implement all of the
acquis prior to the accession,\textsuperscript{11} in addition to accepting an interference in governance issues from the EU that reaches far beyond what Member States experience (Grabbe 2001: 1015). These are arguments making a case for coercive isomorphism as a result of EU pressure on Hungarian policy.

However, it is also important to keep in mind some defining characteristics as to how the EU as a political system works. The broad picture is one of indirect influence over member states through regulative measures, which leaves considerable room for member states to interpret rules when implementing EU law into national legislation (Goetz 2001: 4). Bold proclaimers of a Europeanization effect as convergence between national political-administrative systems have some times failed to take this properly into account (Grabbe 2001: 1025).

Further, although the EU is a powerful actor in the Hungarian environment and the main focus of this thesis, it is certainly not the only source of pressure. Along with the development of these relations has been the ‘triple transition’ of democratization, liberalization and privatization, which may also have influenced on Hungarian environmental policy. In this context, the period of economic hardship has implied strict political prioritization, creating little popular support for environmental measures that pose a risk to the fragile economy. In many circles, advocacy of environmental issues has been viewed as antagonistic to economic and social welfare (Hanf & O’Toole 1998: 102), possibly reflecting a path-dependent, institutionalized way of thinking of the environment. Finally, also bilateral relations with other countries and commitments to other international organizations and conventions are environmental factors to be kept in mind.

\textsuperscript{11} Exceptions are made in particularly demanding cases, but practice is very strict concerning when the criteria for transitional arrangements are met.
2.3.2 Expectations from an institutional autonomy perspective

Following the presentation of this theoretical approach, two assumptions sharing a skepticism towards the potential impact of environmental pressure can be made. First; in the matter of Hungarian EIA policy, continuity or incremental changes are more probable than a radical transformation of national practice. Changes will conform to a logic of appropriateness in the administration, based on institutional values. Secondly, and intimately connected with the first; Hungarian EIA policy will face serious difficulties in implementing or adapting to certain elements of the EU policy. These are the areas where national institutional characteristics collide with the qualities of the policy instrument, implicating a need for radical institutional changes in order to comply with the Directive. Following Knill (1998: 3), reform attempts challenging the core of national administrative institutions are not likely to succeed. As indicated earlier, the organizational structure is often tightly coupled with core values. Dimensions of organizational structure in question here are the vertical and horizontal co-ordination of policy, as well as the demands for well-established linkages between the authorities and civil society.

An illustration of expected challenges is in order: Vertical structures of the administrations in CECs in the socialist era were known as highly centralized, providing poor opportunities for local entities to perform important tasks. This organizing principle had wider implications in ways of institutionalizing antagonistic relationships between central and local authorities. Hanf and O’Toole (1998: 94) illustrate how this has been a problem in the transition process in Hungary, where “(…) newly resurrected local authorities jealously guard their autonomy and powers from unwelcome intrusion by national authorities”. This finding would definitely be compatible with expectations following an organizational approach, where the traditional interpretation is that vertical specialization leads to more autonomy for the decoupled units and less political control from the national level. Conversely, horizontal specialization is a common measure to secure better focus and more informed
opinions in a particular policy area, in ways of achieving a more thorough basis for sound decision-making. However, if emphasizing a holistic rather than a sector-specific framework for decision-making, a consequence of horizontal specialization may also be fragmentation and lack of coherence in the political-administrative system.

While these are hypotheses that come naturally from the institutional autonomy perspective as presented here, the specific situations in the CECs also activate assumptions of an opposite character. Even within a framework that highlights institutional stability and possibly inertia, there is also a conceptual understanding for radical and designed change. In cases of critical crises, when there is a gap in the performance of an institution and expectations in the wider society, the institution may lose its legitimacy in a de-institutionalization process. When such an institutional vacuum is created, the potential for far-reaching, deliberate reform is much more realistic. Following this logic, a lack of institutional core values in the public administration of the CECs may have provided a fertile ground for greater impact of external influence.

At any rate, the question is whether these remarks on the CECs in general apply to the same degree in Hungary. There are quite a few arguments pointing to specific national experiences that make Hungary a poor case for illustration of regional characteristics in this aspect. It has a long tradition of well-developed laws and legal institutions, which reach far back into ideas and practices of the Austro-Hungarian Empire. “The enlightened and progressive characteristics of the later empire have influenced and shaped Hungarian ideas and institutions in significant and enduring ways” (SIGMA 1997: 21). Further, it is perhaps the country among the CECs with the highest density of linkages to the West, indicated by the gradual character of the transition process (Klarer and Moldan 1997: 47). Thus, speaking of crisis and vacuum of legitimacy may not be as accurate in the case of Hungary as with some of the other Acceding countries.
2.3.3 *Expectations from a transformative perspective*

This more comprehensive perspective is what informs the research questions as presented in the introductory chapter. They illustrate a belief in the complementary features of one explanation based on the qualities of the environment and one based on the features of the institutions themselves. In this final section, I will elaborate somewhat on the hypotheses guiding this study.

The belief that Hungarian EIA policy will both be influenced by the EU approach and still display a large degree of continuity reflects both an acknowledgment of the character of the EU as a political system and a belief in the endurance of national institutions. The pressure from the EU has indeed been coercive, in the sense that its members have had the opportunity to deny membership as a sanction if they were not happy with Hungarian adaptation. However, they have been in no position to design the actual execution of policy, which has to be decided where the specific knowledge is situated. And according to a logic of appropriateness, new demands are assessed in light of existing rules and standard operating procedures, indicating incremental changes within familiar settings.

As to the assumption that certain elements of the EIA may prove difficult to implement successfully, this is in line with Knill’s (1998) institutional argumentation where challenges to core values impede the adaptation process. This hypothesis also rests on an understanding of the systemic changes in Hungary as gradual and evolutionary, not systematically undermining or de-legitimizing institutional values.

2.4 *Methodology*

One of the most important aspects to consider in designing a research approach is to link the data to be collected to the initial research questions of interest. Interesting research questions have little value in and of themselves, if the
search for answers is misguided. This is a question of conceptual validity in its widest sense (Hellevik 2002: 53).

2.4.1 The Case Study Approach

In this study, I attempt to describe and explain a complex process; the development of a political instrument in a specific and untraditional setting. I try to identify the most important sources of change and influence, admittedly not an easy task with a focus on a political system in multiple transitions.

It may be worth while paying attention to various definitions of a case study. The name – being derived from the latin word *casus* – emphasizes the importance of the unique instance. According to Andersen (1997), case studies are well suited as methodological approach when the unit of analysis is complex, demanding an unpacking of its sub-units and their relations. Also, Yin defines the use of a case study approach as appropriate for “(…) a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (1994: 13). This definition points to the differences to e.g. laboratory experiments, where variables and different stimuli may be controlled by the researchers. Further, Andersen emphasizes process-oriented studies, interpreting change over time, as typical characteristics (1997: 34).

There are both single and multiple case studies. In this instance, the focus is on one unit and the analysis thereby constitutes a single case study. However, to overcome the deficiencies in trying to assess Europeanization effects by studying practice in one country alone, selected aspects of Norwegian experiences are used for comparative purposes. Even though Norway is not a member of the EU, it has the same obligations as Member States concerning implementation of the EIA Directive through the EEA agreement. As the EIA as a policy instrument was conceived in and for a developed, Western situation (Holm-Hansen 1997: 449), Norwegian practice may work as an appropriate illustration of a classic EIA approach in line with EU policy.
Considering the basic research challenges of this case, a qualitative approach seems appropriate. Measuring human intention by statistical operations may clearly prove a mistake in terms of validity, as quantitative techniques are most often deemed more suitable for other research designs,\(^{12}\) where contextual aspects of social phenomena are of less interest. In qualitative studies, interpretation and understanding are important concepts, and findings are often legitimized in a hermeneutic perspective. An understanding of the phenomenon in question develops gradually, in a cyclical movement including investigation of details and a more general view of the totality. The aim of a qualitative case study is not to provide statistically representative data, generalizing findings to some larger population to which your case belongs. On the contrary, a main purpose of the case study approach is being able to discover the essence in a complex relation, without any claims of validity for other cases.

There is, however, a possibility for generalization that is not dependent on statistical measures. Case studies that try general theoretical assumptions on specific cases, such as this, open up possibilities for *analytical* generalization. Findings in analyses of this character may strengthen or weaken the theories on which they are based, providing a more informed general framework. In this particular study, the case of Hungarian adaptation to EU policy may in some aspects improve our understanding of the Europeanization of the nation-state, or at least the Central and Eastern European nation-states. As indicated in the introduction, any support to the institutional robustness hypothesis in cases of transition countries may be interpreted as an extension of its area of applicability and, thus, its generalizability.

\(^{12}\) There is, however, some disagreement on the difference between quantitative and qualitative methodological approaches and whether they demand substantially different research strategies. See for instance Andersen (1997).
Having elaborated on the possibilities inherent in the choice of research design, a comment on possible constraints is also in place. Interpreting a single case in light of one or a few existing theoretical perspectives may negatively affect the study by letting prejudices (although perceived as informed ones) inform the empirical search for relevant information. A highly informative illustration of how different theoretical lenses provide different interpretations of an empirical case is Graham Allison’s (1971) classic analysis of the Cuban missile crisis. However, relying on multiple sources in the collection of data is a means to avoid interpretative fallacies. The act of bringing more than one source of data to bear on a single point is called triangulation and may indeed strengthen the validity and reliability of the analysis.

2.4.2 Describing the process – sources of information

In order to collect a satisfactory empirical material, several sources of information have been included in the study. As Yin emphasizes: “(...) any finding or conclusion in a case study is likely to be much more convincing and accurate if it is based on several different sources of information, following a corroboratory mode” (1994: 92). The data gathered for this thesis may be presented in three different categories.

Of the written material, there is both primary and secondary literature. The primary sources are communications and official documents from both the EU and the Hungarian government, including the legal texts regulating EIA practice. Also, documents from other international institutions have been applied. Certainly, these are informative and indeed essential sources, but they also tend to have a formal, bureaucratic and consensual language, leaving controversial details as possible matters of conflict to be taken care of at lower levels. Relying too much on official documents alone may have the consequences of overrating the level of success in adapting Hungarian policy to EU demands.
Secondary literature is one way to get a richer and more diverse picture of the situation. In line with a view of research and science as a common, cumulative effort to enhance the general level of knowledge, I have eagerly sponged on existing research both on Europeanization, political-administrative development in CECs and, of course, the Hungarian development in particular.

Still, there are a few aspects that require yet another approach in the assembling of empirical material. First; updated information is hard to find in a field of research that is so dynamic and fluctuating. Two-three year old reports are most certainly valuable as background information and as yardsticks for measuring change, but they are not really adequate as snapshots of what the situation is like today. Second; as these kinds of sources are rarely concerned with the exact same problems or research questions as those of your own study, questions of a more specific and technical nature may not be accurately and adequately answered in secondary literature.

Thus, personal interviews of people with first-hand knowledge of the subject are also essential to this study. Interviews with an open interview guide were conducted with four persons in Hungary and three in Norway. In Budapest, information was obtained on account of conversations with a bureaucrat from the Ministry of Environment, a member of the delegation of the European Commission to Hungary, a researcher and a consultant. In addition, interviews by e-mail were conducted with another bureaucrat at the Ministry as well as a desk officer for Hungary at the DG Environment in Brussels. The informants interviewed in Norway work in the Ministry of Environment and at NIBR,\textsuperscript{13} a research center with special competence on the issue of EIA.

Keeping in mind the complex character of the EIA as a political instrument and also the rather ambitious research questions in focus, nine informants may

\textsuperscript{13} National Institute for Urban and Regional Research.
seem an inadequate number of informants. Ideally, the number should have been higher and the views of people in every position included. However, there are practical limits, involving resources as well as accessibility and language barriers, making a more comprehensive scope difficult. Thus, a challenge has been to focus even more strictly on understanding the essence of Hungarian EIA practice, thereby possibly ignoring more technical and detailed issues that are more interesting to an environmental scientist than to a student of political science.

Deciding on such an approach, the informants used have provided excellent assistance as they are all in positions giving them expert knowledge of Hungarian environmental policy and the workings of its EIA system. However, according to the theoretical approach employed in this study, the opinions of individuals are informed by their organizational belonging, and this is naturally also a case for the interviewees. Information provided by these sources therefore has to be treated critically and with caution, assessing and comparing them in light of findings in the written material.

Finally, there are methodological aspects to consider in carrying out the interviews. The quality of the information, in terms of reliability, may be impeded by interview effects. The reasons for these challenges are plentiful, perhaps particularly so when experience in performing interviews is wanting. However, there are straightforward ways of controlling some of them. A conscious structuring of the questions asked is of course one of them, avoiding a bias that may guide answers towards confirming the researcher’s prejudices. Another is to balance the considerations of creating a natural environment for the conversation against the wish to remember all the information accurately. In this case, only short notes were made during the interviews, while a full and detailed account was written down shortly after the meetings. While the chances of omitting some details due to lack of memory are present with this strategy, I found that a full appreciation of the information demanded a focus
and concentration on the conversation that were not compatible with secretarial duties. Obviously, this problem could have been solved by applying a tape recorder, but I decided not to, as this might have contributed to the informant behaving and talking in a more apprehensive mode.

2.4.3 Some specific methodological challenges

Concerning questions of reliability and validity in this study, there are a few particular challenging aspects that deserve some attention. The validity of the data gathered is essential in any research project, and even more important to consider when studying a subject of this complexity. This concept includes the reliability aspect – the accuracy with which data has been gathered – and the construct validity, i.e. if what is actually measured catches all significant aspects of the theoretically defined variables (Hellevik 2002: 53).

Two questions stand out as critical junctions in this study; they are both highly relevant and at the same time equally difficult to measure as appropriately and accurately as desired.

1. To what extent are Hungarian adaptations a result of EU pressure, as opposed to any other external or internal dynamic forces?

2. Regarding the institutional variables, displaying changes in structure should prove feasible. More demanding, however, is to measure the dynamics of administrative culture, the norms and values underlying the ‘logic of appropriateness’ of the institution. These are rather vague concepts, demanding an intimate understanding of the institution for full appreciation of the development. Additionally, an ideal research design to discover changes in administrative culture would also be dynamic, performing the study in several stages to get a more precise picture of how the institution changes.

However, within the limits of this project, I feel quite confident that a case study approach is the better way to seek the answers to these highly demanding
questions. When trying to identify and understand processes that include motivation for behavior, I doubt that information designed to fit statistical analyses would provide more appropriate indicators. An important task will indeed be to specify as accurately as possible the workings of the independent variables, providing the material necessary to evaluate the theoretical assumptions properly in the analysis.

On the other hand, the choice of studying a country whose relations with the EU is of a recent character may prove favorable in a methodological sense. As Gerda Falkner points to, their experiences are “(…) particularly enlightening since the ‘trickling down’ of European patterns can be studied almost as if under laboratory conditions” (2000: 224). Two reasons account for this; adaptations happened only recently, and they came about in a much more abrupt manner than what was the case with respect to the original Member States, due to a significantly shorter time frame. This is not to say that controlling the variables is unproblematic, to be sure, but it is less difficult with respect to polities that joined right at the beginning of European integration (ibid.).
EU-Hungary Relations: Establishing the EU as an Important Actor in Hungary’s Institutional Environment

Since the late 1980s, Hungary has – de facto, gradually and still partly – joined the EU in the fields of all three pillars. The only open questions are when and how to join the EU de jure and completely (Agh 1999: 841).

Having formulated the guiding research questions for this study, it is essential to establish and specify the arenas through which Hungarian political-administrative system may be affected by EU pressure. Without accepting the quote by Agh uncritically, the aim of this chapter is to justify the emphasis placed on EU policy as a determinant of Hungarian policy-making. By describing relations between the two parts since they were formalized in 1988, and some of the already visible organizational outcomes, the huge influencing potential should become clear. Further, not only should a chain of influence have been established; my choice of regarding the EU as the most important actor in Hungary’s institutional environment is believed to be substantiated by the following outline.

It follows from the above that this is intended as a general description, a contextual back cloth on which the specific case of EIA may be seen in light of. The chapter is divided in three: First, a chronological outline is presented, commenting on the main events on Hungary’s road towards EU membership. Second, relations of a more institutionalized nature are briefly reviewed, along with specific organizational changes in the Hungarian political-administrative system directly connected to EU relations. Finally, a presentation of the mechanisms to the EU’s disposal in the Accession process in order to effect change will be pointed to.

3.1 Displaying the history of relations between Hungary and the EU

Hungary was the first country in the eastern part of Europe to establish official contacts with the EU (Agh 1999: 841). An agreement on economic cooperation was signed in Brussels as early as 1988. However, the huge leap
forward was made in 1991, when the Visegrad countries\textsuperscript{14} signed Europe Agreements (EAs), giving them status as Associated Countries to the EU (at that time the EC)\textsuperscript{15}.

An important step was most certainly the 1993 Copenhagen European Council, where the decision was made that associated countries which so desired would be given the opportunity to join the EU as proper members. However, strict and comprehensive criteria were formulated, regarding political and economic conditions, ability to take on the obligations of membership and administrative capacity to implement the acquis. Some of these requirements, for instance the explicit reference to political conditionality, were novelties in EU practice compared to earlier enlargements.

Hungary was also the first country of the region to apply officially for membership, as of March 1994. This is the starting-point of what Lippert et al. (2001: 988) call the pre-accession stage – containing basic administrative adaptations. Before accession negotiations could start with the Accession Partnerships (APs) in 1998, two time-consuming processes had to be completed: A closer examination of the suitability of conditions in Hungary, as well as reaching an agreement in the encompassing decision-making process within the EU institutions themselves. Regarding the first, the European Commission published its Agenda 2000\textsuperscript{16} in July 1997, which accepted the case for full membership for Hungary.\textsuperscript{17} Regarding the second, the official accession negotiations started in March 1998. When the membership negotiations started, detailed acquis screenings were conducted - thorough assessments of the degree of harmonization between the body of law of

\textsuperscript{14} At that time Hungary, Poland and Czechoslovakia
\textsuperscript{15} These agreements entered into force in February 1994.
\textsuperscript{16} Agenda 2000 was a study by the European Commission on the general strategy for the future of the EU, embodying its assessment of the ten applicant states.
\textsuperscript{17} As well as for Poland and the Czech Republic
Hungary and the Union. Only after this screening process could substantive negotiations on individual chapters of the *acquis* commence.

The European Council in Athens, 16\(^{th}\) – 17\(^{th}\) April 2003, became the arena of a historic moment in the history of European integration, when representatives from the ten Acceding Countries and the EU signed the Accession Agreement. As of May 2004, Hungary and all the other nine countries will join as full-fledged members of the European Union, with one important reservation; the Agreements need to be ratified by referenda in the individual Acceding Countries.\(^{18}\)

3.2 Institutional linkages

An overview of the history-making decisions does not provide an adequate picture of the relations between the EU and Hungary. It is a framework that tells the story of *where* and *when* the important steps in the accession process were made, but it says little or nothing of *how* it proceeded. In the course of this dynamic relationship, a complex and multi-faceted pattern of organizational linkages has developed. To be able to comprehend, assess and preferably predict the most important challenges of the enlargement, establishing arenas for exchanging views and experiences has been an essential task. Only the most important arenas will be briefly presented here.

Within the framework of the EAs, which entered into force in 1994 in the case of Hungary, joint institutions of the EU and the candidate countries were created for the implementation and monitoring of the EAs, and later the APs. The Association Council\(^ {19}\) included the Foreign Ministers from the Member States, government representatives from the associated country as well as the EU Commissioner for External Relations. The Association Committee\(^ {20}\), with its

\(^{18}\) The Hungarian referendum was arranged 12.04.03: Almost 84 % voted in favor of Membership.

\(^{19}\) Meetings once a year, the last (9\(^{th}\)) one was in November 2002.

\(^{20}\) Meetings once a year, the last (10\(^{th}\)) one was in May 2002.
subcommittees had a similar composition, although with civil servants, while the Joint Parliamentary Committee,\textsuperscript{21} also with several working groups attached to it, comprised members of the parliament of the applicant country and the European Parliament. These institutions should assist the implementation of the EAs and, eventually, the APs, and serve as discussion forums between the associated countries and EU institutions. As the central decision-making body, the Association Council was to deal with broad political aspects and make binding decisions in areas provided by the EA (Lippert et al. 2001: 987).

These institutional linkages were created from the beginning of the formalized relationship between the parties, and their context remained strictly intergovernmental. However, entering the pre-accession stage, structural arrangements within the national administration were established to cope with the steadily increasing interaction with the EU.

In Hungary, the center of co-ordination lies with the Ministry of Foreign Affairs and not the Prime Minister’s Office, as in some other Accessing Countries (ibid: 991-992). Five governmental institutions deserve some extra attention:

1. A special body within the Ministry of Foreign Affairs – the State Secretariat for Integration (SSI) – emerged in 1996, administering and coordinating the Europeanization process as the central administrative body in integration matters; its head as state secretary has also served as head of the Hungarian delegation for negotiations on accession.

2. Also in 1996, the European Integration Cabinet was established, headed by the Prime Minister and with the participation of five ministers as the main decision-making body.

\textsuperscript{21} Meetings twice a year, the last (19th) one was in March 2003.
3. The European Integration Cabinet has an advisory body in a Strategic Task Force on Integration with eighteen working groups covering all integration issues.

4. An inter-ministerial Committee for European Integration embracing all ministries, gathering their Heads of European Integration Departments, is the widest coordinating governmental body. It is placed under the leadership of the Ministry of Foreign Affairs.

5. During 1996, European Integration Departments were set up in all ministries.

Thus, the pre-accession phase was marked by the establishment of innovative arrangements for increased interaction with the EU. These were efforts to strengthen the strategic policy planning capacities in the run-up to negotiations. In the last phase, the actual membership negotiations, further structures and procedures were developed to explain, monitor and control the implementation of the acquis. On the Hungarian side, the most important body in that respect was the National Program for the Adoption of the Acquis, which was adopted in 1998. Its work was guided by the Accession Partnership, the institutional framework for the negotiations with the EU. Additionally, following the signing of the Accession Treaty, Hungarian representatives have been allowed to participate in the meetings of the Council bodies as well as committees of the Commission as observers.

In order to comprehend the nature of the relationship between Hungary and the EU, however, it is inadequate to focus solely on the efforts made in Hungary. How the process developed was, naturally, influenced by efforts and mechanisms at the European level.

3.3 Mechanisms of Europeanization

Heather Grabbe introduces different mechanisms used instrumentally by the EU to effect Europeanization through conditionality and the accession process
These will be presented and reviewed on a general basis here, while chapter six will describe Hungarian experiences with these mechanisms and their relevance to the EIA regulations.

3.3.1 Gate-keeping: Access to negotiations and further stages in the accession process

The EU’s most powerful tool to achieve domestic policy changes has been to decide access to different stages in the accession process (ibid: 1020). An explicit use of this conditionality tool has taken many years to evolve, from the rather vague Copenhagen criteria to the Helsinki 1999 European Council, where more detailed demands as to which criteria had to be met in order to proceed in the accession process were developed. Examples of stages are the openings of negotiations, the opening and closing of individual chapters in the acquis and, obviously, the signing of the Accession Treaty.

The gate-keeping instrument may have been powerful, but it is not a very flexible or precise tool for enforcing compliance. Its use has been limited to extraordinary actions, e.g. as a shock instrument to embarrass applicant governments. In order to shape aspects of governance, other instruments that are compatible with sustained and consistent pressure at a deeper level within national administrations are more appropriate (ibid: 1021).

3.3.2 Benchmarking and monitoring

A key mechanism for performing more specific pressure on the applicant countries lies in the concept of Accession Partnerships. These are bilateral agreements guiding the relationship between the EU and each candidate individually, by ways of setting out a list of policy priorities that have to be implemented within the year or in the medium term. The Accession Partnerships are revised each year, following assessments in the Regular Reports, published by the European Commission. These reports are used by the European Council to decide whether to admit the candidate to further stages in the accession process (ibid: 1022).
In this way, the EU has a potentially powerful tool to influence policy and institutional development through ranking the applicants’ overall progress, benchmarking in particular policy areas, and providing examples of best practice that the applicants seek to emulate (ibid: 1022). However, the language in both the Accession Partnerships and the Regular Reports are mostly of a non-descriptive nature, citing a need for ‘increasing capacity’ or ‘improving training’, rather than stating detailed institutional preferences.

3.3.3 Money: Aid and technical assistance

The EU is the largest external source of aid for the CECs, providing funds administered by the European Commission and also bilateral programs from individual Member States (ibid). The PHARE\(^{22}\) program is the most comprehensive one, having operated since 1990 with the aim of supporting the new democracies of Central and Eastern Europe and assisting them in building closer political and economic ties with the EU (Klarer & Moldan: 41). As of today, the annual PHARE budget is €1.5 billion (Commission of the European Communities 2002). However, since 1997, the focus of the PHARE has changed, linking it more closely to the preparing for accession and thus the managing of prioritized issues as presented in the Accession Partnerships and the Regular Reports. While PHARE support previously was demand-driven, that is following proposals from the various CEC governments, the support has for the last few years been accession-driven. Consequently, programs have been designed to cater to the individual shortcomings of the candidate countries, as they are identified in the Regular Reports. While the EU itself presents this as a way to improve co-ordination of the accession process (Commission of the European Communities 2002), other see it as PHARE-officials dictating the agenda for institutional changes (Jacoby 1999: 1).

\(^{22}\) Pologne, Hongrie, Assistance à la Restructuration Economique. As the name indicates, PHARE started up as a program assisting only Hungary and Poland. Today, the program encompasses all the Acceding Countries.
For the last few years, PHARE has been one of three pre-accession economic instruments. Following recommendations from Agenda 2000, the instruments of SAPARD\(^\text{23}\) and ISPA\(^\text{24}\) were created and became operational from 2000 on. These are more sector-specific engagements, specifically concerned with respectively agriculture and questions of transportation and the environment. As a result of these adjustments, the PHARE program was able to focus more on institution building in order to develop the applicants’ capacity to implement EU legislation and prepare for participation in EU policies.

3.3.4 Advice and twinning

The PHARE program and the other financial mechanisms do not solely provide resources in terms of Euro – they also provide a wide range of policy advice through technical assistance and through the twinning programs that started in 1999 (Grabbe 2001: 1024). Twinning is a mechanism where officials from EU member states are seconded to work in CEE ministries and other parts of their public administration. As such, the aim is to assist candidate countries in adapting their administrative and democratic institutions to comply with membership requirements by learning from member state experiences. For this kind of assistance, the CEC governments themselves apply for twinning projects, and it is therefore to be considered as a demand-driven instrument.

Although considered a valuable mechanism for improving administrative practice, criticism of the workings of twinning projects has been twofold. First; as twinning agents are most often civil servants with a focus on implementation, technical issues are emphasized to the detriment of overall institutional models. Second; the advice and expertise offered by these pre-accession advisors are not controlled centrally by the EU, so the impact on CEE public administration is likely to be diffuse rather than reflecting any consistent European model.

\(^{23}\) the Special Accession Programme for Agriculture and Rural Development

\(^{24}\) Instrument for Structural Policies for Pre-Accession
In sum, the mechanisms presented show that the EU exerts pressure for adaptation at the levels of policy decisions and implementation long before formal accession (Lippert et al 2001: 1001). This is yet another argument for extending the academic interest in Europeanization to the case of Acceding Countries.

3.4 A Strong Case for Europeanization?

The presentation so far suggests that the EU has a strong, actual influence on the Hungarian political system. Important features of the central administration carry marks of several years of EU adaptation; due to polity changes the map of core government institutions reveals qualitatively new arrangements that are conducive to the concept of Europeanization. Certainly, this is not surprising; applying for membership in the European Union – an institution with increasingly stronger supranational features – does not go unnoticed. What some commentators have reacted to is the very much asymmetrical relationship between the negotiating parties. Further, there are different opinions on what will be the consequences of this asymmetry. It may be viewed as an exceptional opportunity to promote a sound environmental policy (Homeyer 2001: 33), or as a failure to account for specific needs in the recipient country (Jacoby 1999: 1; Szilagyi 2000: 1; Börzel 2001: 4).

The interesting question in this context is whether the changes described, and the mechanisms at EU level to effect changes, have made an impact on substantive policy-making at sector-specific levels in the political-administrative system. As it is primarily the core executive that interacts with the EU and other actors in the environment, efforts to make changes materialize further down in the institutional hierarchy is normally more demanding (Goetz 2001). Hopefully, the case study of the EIA instrument will shed some light on the resistance of institutional history as an intervening variable in an implementation process.
Environmental Impact Assessments as an Illustration of the EU Approach to Environmental Management

4.1 The ‘Winds of Change’ in EU Environmental Policy

In 1993, the European Commission published the 5th Environmental Action Programme of the EU. Entitled *Towards Sustainability: A European Programme of Policy and Action in relation to the Environment and Sustainable Development* (European Parliament and the Council 1993), a reorientation in the EU approach to environmental management was firmly established (Börzel 2000: 236-237). Although the idea of sustainability was by no means new in 1993, the 5th EAP stands as the literal expression of an ideological evolution with its roots in the 1980s. The concept was used as early as in 1980\(^{25}\), but it came to prominence with the report *Our Common Future* of the Brundtland Commission\(^{26}\) in 1987 and was further endorsed as a policy objective by world leaders at the Rio Earth Summit five years later (Lafferty and Meadowcroft 2000: 1). In an EU context, both the Maastricht and the Amsterdam treaties incorporate considerations of a sustainable development.

In *Our Common Future*, sustainable development is defined as “(...) development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987: 43). This passage became famous because it catches the essence of the concept, as understanding the terms environment and growth as complementary rather than mutually exclusive (Baumgartl 1997: 26-27). Thus, a focus on sustainability side-stepped the environment-versus-growth controversy; development and economic growth were re-instituted as legitimate goals in environmental policy.

\(^{25}\) In the *World Conservation Strategy*, issued by the World Conservation Union (IUCN), the World-Wide Fund for Nature (WWF) and the United Nations Environment Programme (UNEP).

\(^{26}\) The full name is the World Commission on Environment and Development (WCED), conventionally called the Brundtland Commission because of its leader, Gro Harlem Brundtland.
discourse. However, the focus was different, reoriented to reduce the impact of economic activity on the environment (ibid: 11).

The main principles underpinning the 5th EAP reflect these thoughts in their focus on integration of environmental concerns into sectoral policies and in the emphasis on prevention rather than reaction in management approaches (Commission of the European Communities 1993). A common denominator for these principles is the holistic view on environmental problems. The sources to pollution are diverse, and they include numerous other policy sectors such as transport, energy and agriculture. Involving those policy areas causing environmental deterioration is seen as an essential condition in preventing new problems to arise. Indeed, involving the wider society and making people take a personal interest in the well-being of their community by creating arenas for public participation is part of the same vision.

Naturally, this new approach towards the managing of environmental issues was an attempt to turn the tide of a development that was going in the wrong direction, with conditions worsening under traditional regulatory measures. Thus, a change of focus from policy formulation to policy implementation is also a major concern with the 5th EAP and the general reorientation of EU environmental management.

The concern with implementation effectiveness and efficiency in the EU has resulted in a proliferation and extension of policy instruments. The traditional approach rely on technocratic and interventionist forms of top-down policy making where uniform and detailed requirements apply to all national administrations (Knill and Lenschow 2000b: 3). At the heart of the new approach are bottom-up forms of policy formulation and implementation where increasing emphasis is placed on self-regulation, public participation and voluntary agreements, as well as horizontally rather than hierarchically
processes of policy development and enforcement (ibid: 3-4). Implicit in this reorientation towards the goal of sustainable development is an acknowledgement of the limits of a traditional, regulative form of political leadership. In line with a sustainable, holistic approach, the ideal-type of a new instrument works bottom-up towards the creation of environmental responsibility and awareness on the part of the polluting actors (ibid.) A stronger focus on practical implementation involves the national level, both by giving the different national arenas more leeway in the mode of implementation, and by seeking to change the policy context in terms of increasing environmental awareness.

It is important to be explicit about the descriptive and non-normative attitude to the EU environmental policy in this thesis. A ‘new’ approach does not imply any quality assessment, neither do words as holistic or preventive. The vocabulary related to sustainable development and the EU’s 5th and 6th EAP is ambitious and idealistic, but it must be treated cautiously and critically until there is empirical material that sustains their opinions and expectations. The conclusions of Knill and Lenschow (2000c) do not confirm an improvement of implementation effectiveness or efficiency due to new approaches. This may be even harder to prove in a context of enlargement, where the traditional policy style is fundamentally at odds with the more recent EU policies (Börzel 2001: 1). Further, there are voices that cast doubts on the motives for changes in EU environmental policy. The redirection of policy towards ‘softer’ instruments may also be a way of saving public expenditures and to push responsibility for policy outcomes further down the political hierarchy. In general, a linking of the EU to first-rate environmental management is no matter of course (Baker and Jehlicka 1998: 11). As such, the emphasis of this thesis is not on praising

27 As Tanja Börzel quite succinctly observes, this new mode of governance stands in sharp contrast to the highly asymmetrical and hierarchical manner in which the negotiation process has developed (Börzel 2001: 4).

28 This is exactly one of the expressed aims of the EIA instrument. See quote on page 16.
EU environmental policy as ‘enlightened’ as opposed to a ‘backward’ Hungarian policy approach. It is, however, an assessment of the outcome of an interaction between different styles and structures.

4.2 The EIA Directive and Sustainability

As mentioned previously, the reason for choosing EIA as case is because it reflects many of the features of the more general approach to environmental management outlined above. Indeed, in Lafferty and Meadowcroft (2000: 342), EIA is presented as one of several socio-ecological management principles essential for the promotion of sustainable development. Analyzing the Hungarian performance with crucial aspects of this instrument may prove an indicator to challenges with other, similar instruments as well.

Whereas development consent for public and private projects which are likely to have significant effects on the environment should be granted only after prior assessment of the likely significant environmental effects of these projects have been carried out; whereas this assessment must be conducted on the basis of appropriate information supplied by the developer, which may be supplemented by the authorities and by the people who may be concerned by the project in question... (European Council 1985: 1).

In the introductory comments to the Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment (in short, the EIA Directive), the spirit of the EU’s new sustainable approach is easily evoked. The precautionary principle is evident, as is the bottom-up element with a focus on the developer and all relevant stakeholders. Norman Lee (2000: 1-2) acknowledges the anticipatory quality of the instrument, in addition to two other defining features; the integrative as well as the participative character.

The EU Directive was the first of its kind in Europe29, originating well in advance of the 5th EAP. However, as commented on above, the reorientation of EU environmental policy was no revolution; it evolved over time and the 5th

29 EIA legislation was introduced in the US in 1969.
EAP was simply the visible expression of this development. Experiences with the EIA in its first years in operation (1988) demanded some adjustments, which were incorporated in Council Directive 97/11 EC amending Directive 85/337 EEC. A main reason for the amendments was the wide differences in the application of the Directive (Commission of the European Communities 1993). Thus, the new Directive is “(…) designed to clarify, supplement and improve the rules on the assessment procedure, in order to ensure that the Directive is applied in an increasingly harmonized and efficient manner” (European Council 1997: 1). As Hungarian legislation is adjusted to meet the requirements of the amended Directive, it is the latest version that will be referred to as the EIA Directive in this study, if not otherwise indicated.

4.3 Describing the EIA Process

Although the EU introduced the EIA as a political instrument in Europe, it has certainly no definitory ownership over form or substance of an EIA process. The UN and the OECD as well as many other international organizations have developed their own criteria parallel to the EU priorities. In this way, it seems fair to say that a policy community in the traditional Western world has agreed on the central features and criteria for a satisfactory EIA process.

Though particular features of EA systems in developed countries vary from one country to another, there is an international consensus on a broad definition of Environmental Assessment as a formalized, systematic and comprehensive process for identifying, analyzing, and evaluating environmental consequences of a proposed action, consulting the views of the affected parties, and taking the findings of this evaluation and consultation into account in planning, authorizing, and implementing this action (Cherp 1999: 25)

These have become international accepted standards that go under the name of classic EIAs (ibid.), of which a prime example is the EU Directive. Thus, a presentation of the EU Directive is supplemented with more extensive descriptions of classic EIA features, as such legislation in its nature is goal-oriented and does not provide any comprehensive guide to procedural matters.

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30 The forthcoming presentation is influenced by Lee (2000).
Although there are variations in the conducting of EIA procedures within the Western countries, some general remarks on the workings of the instrument may be identified. The author being a student of political science, it follows that only some major and substantive characteristics of this complicated political instrument will be illuminated. To illustrate the different stages in the process, an imaginary example may be functional.

The government of a country decides that the capital needs a large, new airport. An entrepreneur, be it private or public, is interested in the assignment. Naturally, the entrepreneur needs to present a plan to the authorities, containing its opinion on how the project should be conducted. However, prior to, or parallel with this plan, the developer is obliged to present a description of possible impacts the project may have on environmental conditions. For some types of projects, the consequences for the environment are deemed not to be significant, in which cases any further assessments are unnecessary and the planning process may proceed. However, this is certainly not the case for projects involving the building of international airports, where significant environmental effects are evident. The increase in pollution that comes from air traffic, including noise, the physical intrusions at the site of the airport as well as consequences for communications in the surrounding area, are just a few of many imaginable effects detrimental to environmental conditions. The evaluation of whether initiators of a project need to go through with impact assessments is considered the first step in an EIA process, and this is called screening.

The EU Directive includes guidelines to decide which projects need to undergo EIA. In Annex I and II, lists of projects of which EIA are respectively mandatory or subject to consideration, provide the criteria Member States and

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31 Including the present-day Member States of the EU in addition to the US, Canada, Australia and New Zealand.
Acceding Countries need to adhere to. The case of airport constructions is explicitly mentioned in Annex I (European Council 1997: pt 7).

If the competent authority\textsuperscript{32} decides that an EIA is in order, the next stage involves identifying which issues and impacts that are likely to be important and to establish the terms of reference for the EIA. This is called \textit{scoping}, which is, ideally, done in collaboration with the developer, other affected authorities, institutions or individuals and also the public at large. There are numerous ways of proceeding at the scoping stage, but the inclusion of \textit{public participation} has become standard procedure, as involving relevant stakeholders is an important way of identifying crucial issues as well as improving the project’s legitimacy. By predicting impacts, negative consequences for the environment may be mitigated in the next run. In our example, a list of affected parties would certainly be numerous, spanning from neighbors worried about noise to large companies involved in energy production, the metal industry or even hotel construction firms.

Having collected the views from all affected parties, the competent authority specifies which issues are to be scrutinized further. It is the task of the developer itself to perform the EIA on the basis of this information and to modify the project proposal on account of the findings. The guidelines developed in the EU Directive as to the contents of the EIA are quite comprehensive. They include information of the site, design and size of the project, an assessment of remedying measures, a description of the data required to identify and assess the effects, in addition to a non-technical summary of the information (European Council 1997: article 5 (2)). Finally, an Environmental Impact Statement (EIS) is prepared and submitted to the competent authority. This is the key document which describes the findings of

\textsuperscript{32} “The competent authority or authorities shall be that or those which the Member States designate as responsible for performing the duties arising from this Directive” (European Council 1985: 2).
the EIA, and how they were derived. As relevant stakeholders should be able to control whether comments from the scoping stage have been adhered to, the EIS is also made publicly available for information and further comments.

When reaching a decision on the proposed project, the competent authority shall take all relevant information into account, including the EIS and the consultation findings. If an EIS is deemed sufficient and the project initiated, the EU Directive also require that the competent authority make arrangements for monitoring the implementation of the project and its environmental impacts (European Council 1985/97: article 11). If the outcome of this process is that the city in question is provided with an environmental-friendly airport (comparatively speaking), the EIA as a political instrument has proven successful.

These are some of the basic characteristics of a typical EIA process which is in line with the regulations provided by the EU Directive. Although the EIA Directive is process-oriented in style, by taking an interest in how policy is managed, national variation in practice does indeed occur. For instance, the competent authority may be at national, regional or local level, it may be steadfast or alternate with the project-relevant sector. Concerning the mechanisms for public participation, there are some mandatory features. All interested parties shall have a real opportunity to express their opinion, i.e. within a reasonable time before any development consent is granted. Still, the Directive explicitly recognizes the freedom of choice on the national level: “The detailed arrangements for such information and consultation shall be laid down by the Member States (…)”33 (European Council 1985: article 6 (3)).

Acknowledging the above standing, there is a possibility that Acceding Countries such as Hungary may satisfy all EU demands while at the same time

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33 And the Acceding Countries.
keeping to traditional institutional solutions. However, this is certainly no obstacle to a fertile discussion of key variables in this analysis. The room that is left for variation and choice is perhaps the most interesting arena to study the institutional development in; if external regulation was absolute and without maneuverability, chances are that much of traditional practice would still continue, although in a concealed manner beneath an imposed and unfamiliar structure.

In the case of EIA practice, there are both strict criteria and room for flexible solutions, providing the means to study compliance with EU demands as well as explicitly national institutional practice in a transparent and open setting. At the same time, these features require a comparative element to stress the different national problems and solutions.

Three aspects of the EIA process are of particular interest in this study. First; in line with the increased focus on practical implementation in the EU’s reorientation, the question of vertical co-ordination of policy is crucial. Whether the right policy formulations are adopted at the top level is of limited interest if deeds do not follow words all the way down to the ground level. Second; the emphasis in both the 5th and the 6th EAP (OJ No C 138/5; OJ L 242/1) on integration of environmental considerations into sectoral policies goes hand in hand with a strong focus on horizontal co-ordination. The raison d’être behind this line of reasoning is a belief in one of the key concepts of sustainability, that is preventive action. If sound environmental principles are the sole concern of environmental authorities, the more likely form of regulation would rather be one of reaction. Third; the stronger focus on implementation has also meant a proliferation of policy instruments, of which a common theme is bottom-up approaches and shared responsibility. In other words, policy is supposed to be more transparent and the public or the civil society is encouraged to participate. In the case of EIA, the role of the developer and the public hearings are obvious elements of this innovation.

34 Following e.g. Brunsson (1989)
In the next section, Norwegian experiences with the EU EIA Directive will be briefly presented. Naturally, the description will circle around the questions outlined above. As already commented on, Norway has to comply with EU regulations in this field due to the EEA agreement of which it is a part.\footnote{See chapter 1.2.3.} Further, the Norwegian EIA system definitively qualifies as classic and indeed Western, and may fulfill the role as counterpart to the Hungarian system by amply illustrating the significance of different institutional pathways.

4.4 EIA practice in Norway

Without going into detail on the pluralist concept of democracy, it is not difficult to agree with Jørn-Holm Hansen in his description of Norway as a country with an “(…) unbroken democratic tradition” (1997: 449). The motive for establishing this quality is related to the compatibility with the EIA instrument, which “(…) was conceived entirely in and for a developed, Western situation in the 1970s and 1980s” (ibid.). In Norway, EIA procedures were established in 1990, but they were not harmonized with EU legislation until 1996.\footnote{The EEA agreement came into force in January, 1994.} However, the system fulfilled the criteria for passing as classic EIA even prior to this harmonization, deemed by the scores on international quality evaluations (Husby 1997: 90-91). Worth noting is that the tests in question were developed specifically with the EU regulations in mind (ibid: 88), further underscoring the advanced level of the Norwegian system from its very inception.

EIA practice in Norway is treated rather eclectically, concentrating on the three aspects chosen as indicators in this analysis. Further, some comments are made on the changes that did occur with the harmonization process.
4.4.1  Horizontal co-ordination

Traditionally, the competent authority in Norwegian EIA procedures has been the relevant ministry, i.e. the sector ministry under which the proposed activity belongs. The Ministry of Environment has performed a strategic role, while the day-to-day responsibilities have belonged to sector ministries. By distributing responsibilities like this, the intention has been to integrate environmental concerns into decision-making in all sectors. Criticism has occurred on behalf of the potential for mixing of roles, as when the Ministry of Transport and Communication is assigned as competent authority of EIA in projects involving these issues, for instance the building of a new airport. Chances are that the competent authority and the developer will be one and the same, or at least that the Ministry will be the developer’s most important professional and political player of support (ibid: 148). When considering changes in the Norwegian regulations in 1995/96, this particular issue was debated. While the downside of the system was a possibility of partiality on the side of the competent authority, the upside was one of superior co-ordination between sectoral policy and environmental considerations. At the end of the day, the positive aspects were deemed more important and the original model was, by and large, kept (ibid: 148)

4.4.2  Vertical co-ordination

The other aspect concerning distribution of responsibility revolves around the concepts of centralization and decentralization. Traditionally, the Norwegian EIA system has been quite centralized, with national ministries as competent authorities. When adjusting to the EU Directive, however, a steep increase in projects subject to EIAs rendered this arrangement inadequate. A preferred solution was to decentralize responsibility for some of the EIAs to the local level. All the way since 1990, a source of fragmentation had been the central management of EIA procedures, while in a majority of cases the responsible authority for the physical planning – pursuant to the Planning and Building
Act\textsuperscript{37} – was one of the municipalities. Thus, due to inadequate co-ordination, the EIA process had some times been initiated rather late in the planning process, when several decisions concerning the project had already been made.

Since 1995/96 with the new regulations, more flexibility has been sought in the assigning of competent authority in EIA cases. In county plans and local development plans where municipalities are in charge of the plan and its realization, they shall also be allotted EIA responsibility. On the other hand, for projects demanding a state license,\textsuperscript{38} the traditional system with sector ministries as competent authority in EIA procedures has remained (ibid: 147). In this way, better co-ordination between the two processes has been achieved. When responsibility for both lies with one authority, inadequacies like the one depicted above are less likely to occur. Whether the joint authority is a ministry or a municipality, they know that an early start with EIA procedures is a pre-condition for making an impact on the planning process. Thus, the direction of development seems to be one of tighter linkages of the two processes in order to achieve the desired level of co-ordination. Moreover, practical experiences with these new features have been of a positive kind (Ministry of Environment 2001: 26).

4.4.3 Public participation

Ensuring that the public and all relevant stakeholders are informed about requests for development consent is one of the features that are enhanced in the amended EU directive. A comparison of the wordings of the respective versions may illustrate this point:

Member States shall ensure that: any request for development consent and any information gathered pursuant to Article 5 are made available to the public; the public concerned is given the opportunity to express an opinion before the project is initiated (The European Council 1985: Article 6 (2).

Member States shall ensure that any request for development consent and any information gathered pursuant to Article 5 are made available to the public within a reasonable time in

\textsuperscript{37} In which the EIA regulations are included.

\textsuperscript{38} Including projects like the construction of an international airport.
order to give the public concerned the opportunity to express an opinion before the
development consent is granted (The European Council 1997: Article 6 (2).

The differences are, as we can see, quite marked. In the amended edition, the
concerned parties are to be presented the information within reasonable time, a
point that is indeed a pre-requisite for this instrument to work in line with
intentions. Only by participating at an early stage may affected organizations
and individuals actually be influential in the decision-making process. This is
omitted in the statement in the original text, stating that the public shall have
the opportunity to express an opinion before the project is initiated. Thus, the
1985 directive does not even suggest involving the public in deciding whether
to grant the consent.

The prime motivation for addressing this development in the EU regulations is
to illustrate that Norway already with the 1990 government decree could
measure these requirements. Prior to EU harmonization, public participation
was ensured twice in the process, both at an early notification stage and when
the competent authority received an EIA report (EIS) for a final round of
comments. At the early stage, only a public display of the documents (the
notification) is required, while a public hearing is mandatory when the EIS has
been delivered to the competent authorities. However, a public hearing is
recommended also at the early stage, and this is actually practiced on a regular
basis, as all parties are interested in as much information as possible at an early
stage (interview).

EIA reports shall contribute to the evening out of different actors’ access to information,
giving them opportunities to convey their views and contributions, and thus increase their
actual influence over the final decision (…) One of the biggest challenges of the EIA system
is to include the affected parties in evaluating large projects and their impact on the
environment as early as possible (Husby 1997: 36, my translation).

Because of the emphasis put on public participation in Norway from the
beginning, EU harmonization did not lead to major changes in this aspect.
Indeed, the Norwegian mechanisms for participation were indeed challenged
by the EU for being too thorough; two comment periods were too time-
consuming to suit industrial development (Holm-Hansen 1997: 460).
In the Norwegian system, much emphasis has also been on the role of the developer. In line with the EU Directive, both in spirit and in letter, the developer is engaged heavily in the process. The EIA process is intended to create a common understanding of what the project implies, in terms of environmental consequences. Especially large companies, as well as other developers dealing with EIA procedures on a regular basis, see that active participation is important in order to convey self-interests properly (interview). Further, another feature of the Norwegian system is that it lies with the developer to recommend or suggest whether an EIA is necessary. Naturally, it is up to the authorities to decide, but it highlights the EIA focus on shared responsibility. The developers are to comprehend how to design the project, apply technology and produce goods that do not clash with environmental regulations (ibid: 459).

Although some larger companies in Norway do have their own EIA sections, most of the assessment procedures are outsourced to consultants who specialize in this work. However, as Holm-Hansen emphasizes, the developers themselves are most often active participants, advising and assisting the consultants. In his comparison of Norwegian and Estonian EIA systems, he finds that Norwegian screening is conceived as an interactive process between the developer and the relevant ministry, while in Estonia the developers act as clients rather than participants, buying services from consultants (ibid: 458-459).

4.5 Summing Up
In this chapter, the Norwegian EIA system has served as an illustration of a classic EIA system. This is mirrored in the process of harmonizing national regulations to the EU Directive. Not to say that changes were unnecessary or did not occur; indeed they did, as have been shown in this presentation. Both
reports and interviews highlight the number of projects as the most important source of change in the Norwegian EIA system. As an increase in workload was thereby quite inevitable, organizational changes were made to cope with this challenge. A main contribution was made by the decentralization of responsibility for smaller projects, strengthening aspects of vertical co-ordination. The handling of horizontal co-ordination and mechanisms for public participation have not been criticized – rather au contraire. In this context, all changes have not been commented on, due to the limited focus of the dissertation.

A further purpose has been to depict the EIA instrument as an ambassador of contemporary EU environmental policy. With sustainable development as the contextual back-cloth, three critical features of the EIA have been derived. A natural consequence of the increased focus on practical implementation is a stronger emphasis on vertical co-ordination of the policy process. Likewise, a principle of sustainability demands preventive action – for which integration of policy in other sectors is a possible answer. A way to secure this is by increasing patterns of horizontal co-ordination in a political-administrative system. Finally, the aim of inhabiting a sustainable community depends on a knowledgeable and active society, if instruments of shared responsibilities are going to make the desired impact. In order to achieve this goal, mechanisms for transparency in policy processes and, even more, mechanisms for public participation, are essential. As such, this presentation has also provided the empirical basis for choosing the same three indicators in the introductory chapter.

39 Another former socialist country, and also among the Acceding Countries to the EU.
5 Hungarian Governance and Environmental Management in a Historical Context

Hungary’s historical context in ways of political-administrative arrangements in general and environmental management in particular is crucial to the research questions asked in this thesis. Having focused on the importance of organizational features for patterns of action, strengthened by processes of institutionalization, it is indeed interesting to study the meeting between polities and policies with different histories and heritages. As referred to above, the EIA as a political instrument was designed of, and for, a Western context, with all the connotations such a concept imply. The most important of these have been presented in the previous chapter; now it is time to turn to the Hungarian context and eventually their experiences with adapting to the EU EIA Directive.

5.1 Hungary’s Political-Administrative Institutional History

Although focus in the introductory chapter is on Hungary’s socialist heritage, some attention must also be paid to a somewhat more distant history. In line with thinking in historical institutionalism, ‘roots’ and ‘routes’ are important when trying to understand attitudes towards present challenges (e.g. Krasner 1988; Thelen 1999). For Hungary’s part, their contemporary public administration has its roots in the Austro-Hungarian Dual Monarchy, which spanned the years from the mid-19th century to the collapse of the empire at the end of World War I (Nunberg 1999: 98; OECD 1997: 21). Together with Czechoslovakia and Poland, Hungary enjoyed a long tradition of affiliation with the Latin Church and Roman Law and was part of the Austrian sphere of legislative power (Elster et al. 1998: 38). Government administration enjoyed high status and was therefore essentially elitist in character. In most of this period, the Hungarian system was best described as bureaucratic, rather than democratic. However, gradually the administration was professionalized

40 See chapter 4.4.
through the introduction of merit-based recruitment and promotion, leading to a replacement of aristocratic cadres by younger staff selected more on the basis of professional credentials (ibid: 98). Thus, when arriving at the independent inter-war period, the Hungarian political-administrative system may be characterized as relatively advanced and efficient, with a bureaucracy moving in the direction from more traditional modes of governance towards Weberian ideals of a rational-bureaucratic system. Indeed, in an assessment of administrative law and institutions (SIGMA 97: 21), it is noted that Hungarians take pride in the enlightened and progressive inheritance of the administrative system existing until the Second World War. These features were, however, sharply curtailed under the regimes in power both during and, more interestingly in this context, after World War II.

To understand the main challenges of the post-communist environmental management, it is necessary to take account of the system as it worked under state socialism. Some headlines were presented in the introductory chapter, they will be somewhat elaborated here. Mainly, the three indicators central to the analysis of EIA performance will inform these remarks also.

One of the most distinct features of the communist system was the role of the Party in governance issues. The central governmental structures acted under the direction and control of the Communist Party, which operated with parallel structures at all levels. In Hungary, this system was at work until just before the system change in 1989. Naturally, the central state apparatus suffered under such arrangements, as policy formation, the discussion of policy alternatives, arbitration and decision-making were preserves of the party and its bureaucracy (Goetz and Wollmann 2001: 864-865). Because of its purely administrative functions, the communist state executive thus became ‘under-politicized’ (ibid.). In another sense, however, the state apparatus was highly politicized, as political reliability and loyalty to the communist party were officially demanded of all state employees.
Like other state socialist countries, Hungary was also highly centralized, both politically and economically. In fact, the very notion of unity between the polity and the economy was a main reason for the level of centralization, with the central Party apparatus in charge of planning the economy as well as controlling more political aspects of governance (Baker and Jehlicka 1998: 4). As planning and control were such central concepts, a strict top-down hierarchical system was inevitable. Ironically, effective enforcement remained weak, hampered by the nature of the Communist system. As sub-national authorities were not granted any autonomy and were chronically short of resources, practical implementation of policy on the ground suffered.

Naturally, notions of politicization and a controlling state left little leeway for individual voices from society at large. Communist systems were not very open to private initiatives, leaving civil society weak and the public opinion a non-existing force in the political system. Also, secrecy rather than transparency guided government affairs, leaving the public uninformed and thus less able to create a public opinion in political matters.

Finally, a noticeable feature of the state socialist system was the institutional fragmentation of the central executive. It consisted of a high number of ministries, operating largely autonomously (Goetz and Wollmann 2001: 867). Adding to this, personnel policy was also highly fragmented, with no central recruitment and minimal ministerial mobility amongst staff. Careers were often structured sectorally, which again reinforced the sectorized nature of the executive. In the case of Hungary, Vass (…) has spoken of a ‘functional village life’ (Goetz and Wollmann 2001: 868).

All these characteristics are valid to the Hungarian socialist era, although to varying extent. On the other hand, there is also another side of the story. Hungarian resistance to the Soviet empire, provoking the 1956 revolution, produced the most liberal version of state socialism in the region, labeled
‘Goulash communism’. Especially since 1968, market elements were introduced into the command economy, and both a second economy and a second society started to develop (Agh 1998: 74). Hungarians traveled to the West and returned with the ideas and skills of Western systems, eventually creating some kind of consumer society borne by an emerging middle class (ibid.). Therefore, it seems fair to agree with Elster, Offe and Preuss (1998: 5) in their stating that while most of the CECs embarked upon transitions to liberal democracies subsequent to the breakdown in 1989, Hungary adopted these preparations semi-officially much earlier.

5.2 A History of Environmental Management in Hungary

5.2.1 General features

As commented on earlier, Marxist ideology, as well as the practical execution of these ideas in the communist countries, was oblivious to concepts such as sound environmental management and sustainable development. O’Toole and Hanf (1998: 96) use a Hungarian case to illustrate this point:

Hungary’s centrally planned industrial base was built upon a set of assumptions that have come back to haunt decision-makers today. From the 1970s until nearly the time of regime transformation, the nation embarked on a set of industrial investments based on expectations that the economic future lay in large mass production enterprises.

Clearly, such an ill-conceived choice reflects system deficiencies: Enclosed and very much centralized systems unconducive to input, both from their own societies and from impulses abroad, may be disposed to lack sufficient information in order to make rational and informed decisions. This was, naturally, also the case with environmental policy and management, which is part and parcel of the general political-administrative system.

In line with the general command-and-control system, emission standards and regulatory fines were the usual reactions in Hungarian environmental
management in the socialist era (ibid.) This is a form of regulation that the EU is moving away from, believing that an approach in line with sustainable development, like the EIA Directive, is both more effective and legitimate. In addition, two other aspects further undermined the Hungarian end-of-pipe measures. First; the nature of the planning system was such that fines for polluting the environment were collected from the state by the state itself (Caddy 2000: 205). Thus, it is hardly surprising that these mechanisms led to inadequate implementation effectiveness. Second; the size of the fines was in most instances not very punitive at all, implying that there was no big loss in continuing the same pattern of action even if the fines were actually collected (Hanf and O’Toole 1998: 102).

Without going into a debate on the nature of the human mind, it seems clear that a general feature of the Hungarian environmental management was a lack of an incentive structure in order to make environmental-friendly behavior pay. When adding the ideological emphasis, or its negative, sowing the seeds of sustainable courses of action was, understandably, no small challenge.

In the following, some more specific remarks will be made on how a state socialist system like Hungary has experienced difficulties in environmental management, and how efforts at improvements have been made in the years since 1989. By scrutinizing the organizational characteristics encircling this analysis, challenges for implementing the EIA Directive may be identified.

5.2.2 Aspects of vertical co-ordination of environmental policy
A consequence of the strong political centralization in communist Hungary was, among other things, a lack of practical implementation of environmental policy. Laws and regulations certainly existed; they were even strict by international standards. However, the central planning and control system was inefficient, leaving the implementation level without resources and incentives to comply with environmental law. Intimately connected to this was a lack of
Rechtsstaat-principles, implying that legislation was habitually ignored by those addressed (Knill and Lenschow 2000c: 270).

The heart of the field presence for enforcing environmental regulation in Hungary is in the Regional Environmental Inspectorates, entities which in their present shape result from a reorganization in 1990 (OECD 2000: 44), but with origins that go back to the 1950s. As such, they may certainly be treated as traditional institutional structures (interview). They operate with considerable autonomy from the national level, and studies question the level of co-ordination and information-sharing between the Ministry and the REIs. According to Hanf and O’Toole (1998: 105), these Inspectorates work partly as government authorities and partly as private consulting firms because they are only partially supported from the state budget.

Prior to the political changes, local political entities existed in the shape of councils, which were subservient to the central-party controlled system. Since 1989, almost 3200 local self-governments have been created, replacing the traditional council arrangements. This meant an identification and separation of central affairs and municipal affairs, substantial decentralization of authority, subsidiarity, and financial autonomy (SIGMA 1999b: 17). While these have been provided with a number of tasks in environmental management, co-operation with national and regional authorities has not been easy. The municipalities have had to compete with contradictory regulations established by the national level, as well as a general overburdening of duties. This was clearly illustrated by the series of bankruptcies in local self-government in 1995 and 1996 (Agh 1998: 103). At the same time, the municipalities have jealously guarded their autonomy and powers from un-welcomed intrusions by national authorities, adding to the challenges facing Hungarian environmental policy in case of vertical co-ordination.
5.2.3 Aspects of horizontal co-ordination of environmental policy

Horizontal fragmentation, as depicted above, has also been quite noticeable when it comes to environmental policy. The Ministry for Environmental Protection and Water Management was created as late as 1987, and this polity has been reorganized a number of times later. Water management has been removed, replaced and then again removed from the administrative home of environmental management since 1987. In between, regional policy has been fused with the Ministry once, before being subjected to yet another reorganization (OECD 2000: 41). Today, the correct term is simply the Ministry of Environment. It remains to be seen whether this is the result of a determined effort to sharpen the focus on more classic environmental issues, or if it is simply a matter of coincidence, a mere temporary aberration. The housing of additional functions has been subject to criticism, as it may constitute competition of limited attention (Hanf and O’Toole 1998: 104).

Adding to the fragmentation on a ministerial level, there is also an impressive number of specialized units dealing with enforcement of environmental policy as special agencies. The National Cultural Heritage Protection Office, the National Forestry Service and the National Geological Survey are just a few of these. Also on the regional level, the specialization of units dealing with different environmental issues is considerable. This differentiation separates execution of national policy into a number of different functional authorities, depending on the issue under consideration. Moreover, co-ordination between these authorities is variable, depending on the individuals involved, making the system for dealing with environmental issues in Hungary complex and difficult to administer (ibid: 105). A similar characteristic on the central state apparatus under communist regimes in general is put forward by Goetz and Wollman (2001: 867), who state that the central state apparatus was institutionally fragmented and that specialized units proliferated.
So far with aspects of *intra*-sectoral specialization. At the same time, when speaking of environmental issues, *inter*-sectoral specialization is also evident, meaning that integration of environmental issues in other ministries is very rare in the Hungarian case. The socialist legacy has hampered inter-ministerial co-ordination, with the system of patronage securing sectorally structured careers. Knowing also that the Ministry of Environment traditionally has been weak both in terms of influence and resources (Klarer and Moldan 1997: 19), it is understandable that a strengthening of ministerial *autonomy* has been on top of the agenda, and *not* efforts to secure environmental considerations in *other* ministries (interview).

5.2.4 *Mechanisms of public participation in environmental management*

In all developed and democratic countries, the most important supporter of the environmental cause is the general public, the concerned citizens. Public participation is a decisive factor for efficient environmental protection. In a totalitarian Communist regime, no such thing was thinkable (Klarer and Moldan 1997: 10).

The lack of transparency in public affairs so characteristic of all state-socialist countries certainly applied for environmental affairs also. Pollution was a problem typical of ‘rotten capitalism’ and did officially not exist in the CECs. The reluctance to admit the gravity of environmental problems went hand in hand with secretiveness (Klarer and Moldan 1997: 8).

At the same time, environmental movements were often the only civil movements which were tolerated by the authorities, thus becoming shelters for political dissidents of many kinds. Indeed, pressure from environmentalists contributed substantially to dismantling the previous political systems in most CEE countries, including Hungary (Elster et al 1998: 54; Klarer and Moldan 1997: 11). In many of these countries, there were expectations that the focus on mismanagement of environmental affairs would lead to a persistent and strong environmental movement and an increasingly active civil society. Overall,

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44 In 1998, the only ministry allotted less money was the Ministry of Youth and Sports (SIGMA 1999: 23).
these hopes have not been fulfilled. Initial beliefs in the building of new democracies in an image of sustainability soon withered away, parallel with increasing economic and social difficulties following from complex transition processes (Baker and Jehlicka 1998: 10-11).

However, the situation was not as dismal in Hungary, where the transition process was more incremental and reform processes in reality had been continuous since the 1970s. The environmental activism in the 1980s, opposing the socialist regime, has since given way to still significant efforts by a number of NGOs, which have begun to participate in public debates surrounding environmental issues in a post-socialist setting. During the last few years, the government has also developed working relationships and started to interact productively with environmental NGOs and others (ibid: 12). Examples are the Hungarian Commission on Sustainable Development, created in 1993 to coordinate the efforts in working out a new national environmental policy. In this setting, environmental NGOs participated and provided input in the extensive discussions surrounding the Commission’s work. Also, a National Council for Environmental Protection was established in 1996 as an advisory body to the government. This is made up of scientists and representatives of business and environmental NGOs, giving opinions on various environmental issues, programs, legislations and decisions (Lehoczki and Balogh 1997: 147; OECD 2000: 42). In conversations with informants, this increasing interaction between official authorities and environmental NGOs is emphasized, illustrated by the fact that the government in office actually recruited two deputy state secretaries from such institutions (interview).

No doubt, the political changes of 1989 made a more sound environmental policy possible, of which a broader participation by those outside government is crucial. This is gradually emerging in Hungary, partly on account of its traditions with ‘Goulash communism’. However, environmental policy in Hungary has by no means worked under optimal conditions, as indicated by the
presentation of their socialist legacy. The interesting question in this analysis, however, is to what degree these factors still permeate the execution of Hungarian policy, and whether they impede on, or for that matter facilitate, implementation of the EU EIA Directive.
6 Hungarian Implementation of the EIA Directive

As Holm-Hansen states in his article from 1997, EIA as a political instrument was introduced to, and designed for, a Western context. When several CECs started to adapt national policy to this new instrument in the 1990s, the danger of mismatch due to a profoundly different context was to be expected.

In the 1980s, in industrialized capitalist countries, particularly in Europe and North America, EA was defined as a formalized, systematic, transparent, and participatory process involving developers, authorities, and affected parties and linked to publicly accountable decision-making. In contrast, elements of EA used by socialist countries were, in essence, internal government procedures, non-transparent for outside parties, and not subject to independent procedural checks (Cherp 2001: 339).

Thus, during the socialist era, all participants of environmental appraisals represented the state. Differences in interests and perspectives were therefore not recognized, neither were rights and responsibilities clearly defined (ibid: 345).

Comprehensive regulation of environmental impact assessments has existed in Hungary since 1993. EIA provisions concerning large scale state developments were in place already in the 1980s, but findings were not necessarily taken into consideration during decision making (Radnai and Mondok 2000: 57). In the 1993 Decree, the baseline approach of today’s practice was established, although various amendments have been made since then, at the latest in 2001.

Based on the Act No. 53 of 1995 on the General Rules of Protection of the Environment (EAP) and the Government Decree No. 20 of 2001 of the Government on Environmental Impact Assessment (Government Decree), the legislative framework for the current functioning of a Hungarian EIA process will be presented (Hungarian Government 1995, 2001). Further, a more thorough look at prior developments of the EIA regulations is conducted, giving an impression of particularly challenging and emphasized aspects of the

45 See chapter 4.4.
process. Again, the three main indicators in this analysis will structure the discussion, keeping focus on co-ordination issues and public participation. Finally, impacts from EU pressure to harmonize the Hungarian legislation and practice will be assessed.

6.1 The EIA Procedure in Hungary

The EIA process in Hungary consists of two phases, a preliminary and a detailed EIA. Using lists corresponding to Annex I and II in the EU Directive, a preliminary EIA is mandatory for all listed types of activities, whereas a detailed study is mandatory only for projects listed under Annex I.46

The preliminary phase starts when the proponent of an activity submits a preliminary EIS to the competent authority, which is the relevant Regional Environmental Inspectorate, in close co-operation with other relevant authorities.47 Thus, the Inspectorate distributes the documents to all relevant authorities, in order to find out whether the project demands an EIA at all. If the application is not rejected after its filing, it is sent to officials in the municipality of the location of the siting. In addition, neighboring municipalities are notified, giving them a chance to evaluate if they are affected by the project. If so considered, they are sent the full documentation as well.

Officials of affected municipalities ensure that the preliminary EIS is made publicly available “(...) by means of announcing it in public places and in the other locally customary way” (Hungarian Government 2001). Comments from the public can be made within 30 days from the exposure or announcement to the local authority or to the Inspectorate, and shall be sent to the developer.

46 This implies that all projects under Annex I are deemed to have significant consequences for the environment, following the formulation of the Government Decree (and the EU Directive). Thus, projects listed under Annex I are believed to have a stronger impact on the environment than projects listed under Annex II.

47 For a more thorough description, see section 6.1.2
Basing its decision on the preliminary EIA and comments from expert authorities and the public, the Inspectorate determines whether a detailed EIA is necessary. If this is affirmative, it defines aspects and requirements to be examined in preparing the detailed EIS. The procedures of the detailed EIA follow much of the same pattern as the preliminary study, except that a public hearing is mandatory with a detailed EIA. Having received the EIS from the developer and arranged for its public inspection, the inspectorate, in cooperation with affected municipalities, holds a public hearing where all interested parties are invited. It is the duties of the local governments to notify the population of practical information concerning this hearing.

Taking into account the information and comments from the hearing, the Inspectorate makes the final decision whether, and under what conditions, the proponent of the project shall receive an environmental permit and may proceed with the planning process.

In the closing provisions of the Hungarian decree, it is stated that it “(…) contains compatible regulation with Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment, amended by Council Directive 97/11/EC” (Hungarian Government 2001). This claim is supported and confirmed in several studies (see Cherp 1999: 106; Caddy 2000: 202), indicating that implementation in terms of legal transcription has been accomplished. This does not mean, however, that any definite answers to the research questions in this analysis have been answered, as successful implementation was defined as including the practical execution of policy. Further, compliance with the EU regulations only concerns one of the two questions asked, while the other concentrates on institutional continuity or reorientation. Therefore, a closer look at some crucial aspects of the developing practice in EIA procedures will be subject to further scrutiny.
6.1.1 Aspects of the development of vertical co-ordination in the Hungarian EIA system

Previously, some comments have been made on the inadequacies of practical implementation of policy in the Hungarian system, including the managing of environmental affairs. Securing a well-functioning vertical co-ordination in a country’s executive is obviously an important precondition for achieving the goal of adequate implementation – a feature heavily emphasized in the environmental approach of the EU.

The Ministry of Environment, through its EIA division, holds the overall responsibility for EIA in Hungary. However, the institution referred to as the competent authority, with day-to-day responsibility of the process, is the relevant Regional Environmental Inspectorate, of which there are twelve. In addition, the newly resurrected local authorities are involved in the implementation process, distributing information of public notice and participating in the holding of public hearings. This is how the process has been formally organized since the 1993 decree, but there has been a development in how these arrangements actually work.

In their article from 1998, Hanf and O’Toole state that the Regional Environmental Inspectorates do not perform according to attentions in EIA procedures.

The inspectorates are charged with reviewing assessments before, for instance, construction of a new plant is begun. However, sometimes the inspectorate itself has been hired to conduct the review, thus involving itself in a conflict of interest (p. 105).

While this might have been the case in the mid-1990s, the impression of today’s practice is quite another. According to information provided by the informants in this analysis, such misconduct on behalf of the Inspectorates does not occur. This view was unambiguous, and so was the argumentation; EIA

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48 The municipalities actually perform a dual role, with a Council working as affected party, giving its opinions to the Inspectorate, and clerks embodying their role as a public authority. It is the last function that is of interest here.
practice in Hungary today shows such a level of transparency that a malpractice of this nature would not pass unnoticed. Moreover; views on the Inspectorates were indeed of high opinion, as they were believed to possess an impressive level of expertise and experience. When asking about strong sides of the Hungarian system, the efforts of the REIs were emphasized on several occasions (interviews).

On the other hand, it is also a fact that a small percentage of all projects become subject to detailed EIA studies, traditionally about ten percent (Cherp 1999: 142). In the last few years, some studies indicate increases in the number of detailed EIAs (Radnai and Mondok 2000: 61), but this is not confirmed by others (OECD 2000). Anyway, a vast majority of the EIAs are still preliminary because environmental inspectorates rarely require detailed EIAs for any projects other than those for which it is mandatory. Following Cherp (1999), he reports that this has been done in order to shorten procedures and to avoid public hearings (ibid: 122, footnote). Confronting informants with this assertion, responses were more diverse. No one denied the contents of the claim, but some pointed out that this was a natural consequence of the all too far-reaching and time-consuming processes. The preliminary studies have become so comprehensive and thorough that a detailed study on top is considered unnecessary (interview).

When it comes to the performance of local authorities in the EIA process, it is not surprising that a potential for improvements is identified. There are almost 3200 units of very different sizes and, not least, wealth of resources. Many of these are so small that they do not even have a separate position for environmental management, much less anyone with special competence on EIA procedures. Naturally, outsourcing of tasks is common, if the financial situation allows it. Therefore, it is hardly a surprise to find that several analyses state that the local level can do better both when it comes to their execution of
EIA tasks and in the co-ordination with national authorities in the wider process.\textsuperscript{49}

A feature of the Hungarian system, not unlike the Norwegian, is that primary responsibility for the physical planning process lies with the local authorities. More unlike the Norwegian situation, co-operation between national and local authorities does not always work very smooth. This has actually been a source of frustration as there have been instances where municipalities have used their role in the overall planning process as a weapon opposite national authorities in the EIA process (interview).\textsuperscript{50}

Experiences with local management of distributing information of EIS on public display and announcements of public hearings have also been mixed. Actually, projects to improve these features have recently been initiated by the Ministry, and it remains to be seen if a helping hand may provide useful inputs to the ‘locally customary ways’ of doing things.

\textbf{6.1.2 Aspects of the development of horizontal co-ordination in the Hungarian EIA system}

Two important features will be highlighted in this section. One is inter-sectoral, and the other is intra-sectoral in nature, and both display important characteristics of the Hungarian EIA system, each in its distinct way.

Unlike the Norwegian system, all responsibilities for the EIA process in Hungary are placed with environmental, as opposed to sectoral, authorities. In conversations with informants, this was explained as a highly conscious strategy, intimately connected to the Ministry’s comparatively weak position in the country’s central administration (interview). As a former state socialist country, environmental policy in general has traditionally not been on top of

\textsuperscript{49} Internal note, Hungarian Ministry of Environment.

\textsuperscript{50} This is a clear illustration of the more general remarks made in page 65 on environmental management in Hungary.
the agenda, as previously stated. Certainly, these features have endured through
the changes of political regime:

Throughout the CEE, the status and power of environmental ministries is much lower than
most other government ministries and efforts of the environmental authorities are frequently
rejected, over-ridden or simply ignored by the more powerful government sectors (Klarer
and Moldan 1997: 19).

The position of the environmental sector may still be weak, but the factors
causing this have undoubtedly changed since the Communist governments
treated environmental issues as non-existent. With the economic stress of the
period following 1989, focusing on environmental measures that were
perceived to work to the detriment of the economy was not popular (Hanf and

In this context, it is certainly understandable that environmental authorities in
Hungary have been focused on professional autonomy and hedging around
their sectoral interests as a main strategy to make environmental issues have a
say in governance (interview). Moreover, this line of thinking seems to be a
deep-rooted principle, reflected by the informants’ reaction to my presentation
of the sector-responsibility in Norwegian EIA cases. Such an organization was
said to be unthinkable in Hungary, being described as an equivalent to the
saying of ‘the goat minding the oatbag’ (interview). In other words, sectoral
authorities ought not to be entrusted with responsibility for EIA processes – if
environmental considerations were deemed essential, that is.

Another interesting feature of the horizontal co-ordination in EIA matters is of
an intra-sectoral nature, as already indicated. When outlining the basics in the
Hungarian EIA system, the relevant Regional Environmental Inspectorate was
identified as the competent authority. Although this is correct, it does not tell
the complete story. In deciding on whether to grant environmental permits, the
Inspectorate needs the support of several co-authorities, that is other
environmental bodies whose competencies are affected by the issue at hand.
The concerned National Park Directorate and the county institute of National
Public Health and Sanitary Service are involved into each procedure, while further participation depends on the nature of the case. What is important in this arrangement is that each of the co-authorities on a case has a veto over the granting of permits. This point is made in internal notes from the Hungarian Ministry of Environment\textsuperscript{51} where stating that “The standpoint of concerned authority always forms compulsory part of the decision made by the competent authority”, and can also be found in the Government Decree, naturally (Hungarian Government 2001: art. 8).

Previously, the complicated and fragmented nature of the administrative structure of environmental protection was presented in somewhat negative terms, imposing obstacles to visions of a co-ordinate administration. Interestingly, seen from the angle of environmental authorities, this very system is regarded as a quality feature rather than a weakness when talking of EIA procedures. One of the informants spoke of the mechanism with the co-authorities as an important buffer against political pressure and even corruption. Obviously, if the granting of environmental permit lay with a single authority, there would also be only one institution to take all the exposure. It is easy to imagine that massive political pressure could have an impact. On the other hand, when there are several, maybe as much as seven or eight different authorities, all with a veto right to stop the granting of a permit, it is reasonable to speak of autonomy from undue political pressure (interview).

An atmosphere of co-operation and unity among the co-authorities is, naturally, a prerequisite for the above reasoning. Even though not all of the relevant authorities are equally dedicated to the EIA process, the impression given through my conversations with the informants was positive, indicating that the relevant authorities had developed suitable arenas for discussions between the

\textsuperscript{51} See footnote 38.
parties (interview). Additionally, and unlike the situation at the local level, lack of available in-house expertise is rarely a problem.\footnote{52}

6.1.3 Aspects of the developments of public participation mechanisms in the Hungarian EIA system

Arenas where voices from the civil society could make themselves heard and contribute with views on governance issues were not readily available in any state socialist country. Hungary was no particular exception in that respect, although the regime was not as totalitarian and absolutist as many of the other CECs. Elster, Offe and Preuss (1998: 14) make an important observation when stating that the reformist openings in the country were initiated and executed from \textit{within} the ruling party and the economic elite, and not by any mass opposition movement.

In addition to studying the development of the mechanisms for public participation in notifications, public displays and hearings, the role of the developer in the EIA process will also be given some attention.

When comprehensive regulations of EIAs first became operational in 1993, there were no public requirements for public participation for preliminary EIAs (Cherp 1999: 120, footnote). Knowing that only a small minority of the projects ever reached the detailed phase, it seems fair to say that mechanisms for public participation had a potential of improvement. And they \textit{were} improved; in the 1995 decree, a public display of the preliminary EIS was incorporated, giving interested parties a chance to notify the governments of their comments. Further, other changes included an explicit consideration of environmental associations that identified themselves as interested parties, an extension of the time allowed between notification and the public hearing to the participants, and the distribution of minutes of public hearings to the participants. Finally, the use of mass media for notification was an innovation.

\footnote{52 See footnote 38.}
compared to earlier legislation. These provisions were expected to improve participation practices, expectations they seem to fulfill (Palerm 1999: 219-220).

The amendment made in 1995 was evidently an improvement compared to the 1993 regulation, when there was no possibility of being heard as an affected stakeholder until very late in the process. A widely accepted principle in EIA procedures (e.g. Bellinger et al 2000: 193) is to include the stakeholders as early in the process as possible in order to get an optimal result. This is also acknowledged by Norwegian practitioners of EIAs, as described earlier.53 Accordingly, some structural mechanisms are now in place in Hungary. Another issue is whether changes have occurred in practice as of yet, as the number of cases going to the detailed phase are still low. Further, there are indications that national authorities are not satisfied with distribution of information by the municipalities. However, Palerm (1999) finds in his study on public participation in EIA in Hungary that considerable advances have been made. In case studies of three specific projects, public participation was substantial in two, and comments of the public directly influenced the decision in one of the EIAs. Further, according to one of the informants, national studies show that comments from the public in the preliminary stage are quite substantial, and indeed showing an increasing tendency (interview).

Including the role of the developer in this section may seem inappropriate, but it is a central feature of the EIA as an instrument. Shared responsibility and bottom-up initiatives are also keywords in the vocabulary of sustainable development. As such, the integration of the developer in the process may be deemed relevant in much the same way as the integration of other affected parties.

53 See chapter 4.4.
In his assessment of the Hungarian EIA system and its development, Aleq Cherp (1999: 140) states that in its early stages, the responsibilities of the developers were not conducive to their integration as active participants in the process. Rather, environmental authorities had the most prominent role in the process and were envisioned the task of conducting the environmental analysis themselves. Naturally, this is not the case today. It is made clear, both in the EAP (Hungarian Government 1995: section 69) and the Government Decree (Hungarian Government 2001: article 6) that the applicant itself is responsible for preparing both the preliminary and, if necessary, the detailed EIS. When speaking to the informants, however, it seems clear that this is still a weak spot in Hungarian practice. Although the developers are responsible for performing the EIAs, it is pointed out that most of the work is outsourced to external consultants, and that a common feature is the lack of involvement of the developers themselves (interview). A more differentiated picture is presented in the study by Palerm (1999), where the developer was indeed active in one of the three investigated cases, resulting in a markedly improved EIA process.

Consequences of outsourcing may be plentiful; in the Hungarian case, one is that the preliminary EIAs are generally made far more comprehensive than what was intended by formal regulations (interview). In an analysis of Hungarian EIA (2000: 212), Caddy finds that there is a lack of recognition of the need for, and hence legitimacy of, EIA by investors due to additional costs and risk of delays. Thus, the consultants prepare thorough and encompassing preliminary assessments in order to avoid the prolongation a detailed assessment implies. Further repercussions of these actions are, naturally, that the preliminary assessments are unfocused, letting important facts drown in less significant material (interview).

The hiring of consultants to assist the developers in their work is a common feature of most EIA systems. What differs is how the hired services are applied, meaning to what extent the developers participate in the process. This
is important in a context of sustainable development, where one of the major goals is to make as many people as possible environmentally conscious, a precondition in succeeding with concepts like bottom-up processes and shared responsibility.

Summing up, the information provided on mechanisms for public participation and their development presents a mixed picture. Drawing clear and unambiguous conclusions are evidently difficult. One way of assessing whether there has in fact been a development is to study former analyses of the same phenomenon. Based on sources from 1994 and 1995, Caddy presents four obstacles to a satisfactory implementation of the provisions for public participation in EIAs in Hungary:

- a lack of resources and experience of EIA procedures on the part of NGOs as well as frequent encounters with, at best, passive resistance and, at worst, a climate of hostility on the part of public authorities charged with EIA;

- a long-standing tradition of the paternalistic state which arrogates responsibility for all spheres of public life, combined with an overwhelming deference to and inordinate emphasis upon the supremacy of technical expertise in environmental decision making;

- the extreme diffidence with which investors greet the prospect of public participation in authorisation procedures they consider to be a matter for bilateral discussion with public authorities alone;

- ingrained distrust of procedures staged by public authorities on the part of the general public coupled with an equally widespread strategy of confrontation with, or distancing from, official spheres by protest-oriented environmental NGOs (2000: 214).

If any absolute and positive confirmation of developments in EIA practice is difficult to establish due to previous remarks, a movement and a development is certainly distinguishable through the use of this negation. When comparing to other sources (Agh 1999; Cherp 1999a and b; Hanf and O’Toole 1998; interviews), it would be fair to say that the statements by Caddy present a picture that is not adequate when describing the workings of public participation in EIAs in Hungary today. They may be a fair description of the

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54 Her analysis is also based on experiences made in the Czech Republic and Slovakia.
situation in the middle of the 1990s, but the present state of affairs is not that ripe with problems.

6.1.4 Final remarks
The purpose of this section has been to present some important developments in the Hungarian EIA system, as well as describing crucial aspects of today’s practice. Once again, focus has been on vertical and horizontal co-ordination and mechanisms of public participation – indicators chosen in this thesis to assess EIA systems. By choosing this focus, other elements have certainly been neglected. As such, the presentation is not ideal as an introduction to environmental impact assessments; neither is it meant to be. On the other hand, by picking three indicators that are highly descriptive of a political-administrative system in general, and essential to the workings of this political instrument in particular, a sound basis for answering the research questions in the introductory chapter has, hopefully, been established. One important part is still lacking, however. This is a description of how the EU has influenced the Hungarian EIA system.

6.2 Have EU policies and pressure made a difference?
It is quite straightforward to substantiate a claim that Hungarian EIA has been adapting to the EU Directive on EIA. Reading the latest Hungarian government decree on EIA is enough for that purpose. As referred to earlier, it states in the closing that it is in agreement with the relevant EU regulation, as a consequence of the relationship between Hungary and the EU (Hungarian Government 2001: art. 31 (7)).

6.2.1 Impact measured as legal approximation
To assess whether the Hungarian regulations formally correspond to EU requirements is not very complicated, it is simply done by comparing the two legislative texts. This has been done a number of times, e.g. in an analysis performed by the Regional Environmental Center for Central and Eastern
where Hungarian legislation from 1995 is approved as compatible with Directive 85/337EEC. Caddy (2000: 202) agrees, with exceptions that are not very substantial; she states that both the EAP and Government Decree lack “(…) a preamble stating its overall objectives and defining the ‘spirit of the law’” (ibid: 208). Still, in the newest Decree, this applies – making it different from e.g. the Norwegian legislation. Contributions including the amended Directive 97/11/EC conclude no otherwise, illustrated by the analyses by Cherp (1999) and the Environmental Performance Review by OECD (2000).

There are, however, different opinions on when EU regulations started to make an impact, or rather, the point of time that Hungarian decision-makers started to adapt national legislation. According to Caddy, the countries in her study, including Hungary, “(…) have passed laws or regulations on the subject since 1990 and compatibility with the 1985 EIA Directive (337/85/EEC) has been explicitly sought in each case” (2000: 198). Aleq Cherp, on the other hand, states that approximating the EU Directive was a major goal in reforming EIA systems in the CECs, “(…) especially at later stages of their development” (1999: 120), meaning from 1995 onwards. Among some of the informants to this study, the emphasis was placed even later, marking the years from the signing of the Accession Partnership in 1998 as the most influential (interview). Earlier developments were interpreted as results of a more general international diffusion process, with impulses coming from interaction with countries such as Germany, Austria and Great Britain (ibid.).

Thus, when it comes to formal approximation, there is wide agreement on the compatibility of Hungarian legislation with the EU Directive. During interviews, it was even claimed that the 2001 Decree was too close to the Directive, resulting in a lack of an ‘organic fitting’, i.e. taking national

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55 See the following web-site for further information: http://www.rec.org/REC/Publications/EU law/FeeBased/Hungary2.html.
experiences into consideration when working out the legislative text (interview). What was indicated was for instance that provisions for transparency and public participation were too ambitious to have a fair chance at being implemented (ibid.).

Verifying impacts on practical implementation is a far more difficult task. In order to make some better informed evaluations, it may be of help to take a look at how the EU tries to influence national solutions.

6.2.2 Mechanisms of Europeanization – how EU influence works

In chapter three, some mechanisms at the EU’s disposal, designed to make an impact on governance in the Acceding Countries, were presented. Some of these have certainly been instrumental in achieving legal approximation as well, but their character imply that they have a further potential, as they concentrate on performance and capabilities (Grabbe 2001).

**Gate-keeping**

The EU’s most powerful conditionality tool has never been used as a means to pressure Hungarian decision-makers to adapt existing EIA regulations or practice (interview). This is not very surprising, as the gate-keeping instrument is a rather blunt weapon, used for high priority issues only. Further, Heather Grabbe (2001: 1021) notes that using exclusion to change institutional practice is not likely to succeed, as shaping aspects of governance tends to require sustained and consistent pressure at a deeper level within national administrations.

**Benchmarking and monitoring**

EU monitoring is pulling the organization more and more deeply into the details of national legislation (…) Such screening is intended to force national ministries to articulate and confront the gap between current structures and practices and EU-compatible ones (Jacoby 2001: 183).

Especially through the Regular Reports, performed and published by the European Commission each year since the Accession Partnership was established, inadequacies in harmonization of national legislation and practice
are discovered and called to attention. Also, the publication of these reports facilitates competition between the Acceding Countries as their overall progress is subject to this kind of ranking. Monitoring progress is further conducted through Association Committee meetings, peer reviews \(^{56}\) and ad hoc meetings at expert level (interview).

In the Hungarian case, EIA legislation is criticized in both the 1999 and the 2000 annual reports, while the report for 2001 is much more positive in its assessments. \(^{57}\) These indications are in line with information given by informants to this analysis, where it was emphasized that harmonization efforts in 1999 and 2000 were not deemed sufficient by the EU. However, the Swedish Presidency in the spring of 2001 put environmental policy high on the agenda, aiming at closing the environmental chapter of the *acquis* in as many Acceding Countries as possible. In Hungary, due to ‘extraordinary efforts’, EIA legislation was prepared and finished, to the satisfaction of the European Commission and the Regular Reports (interview).

*MONEY: AID AND TECHNICAL ASSISTANCE*

Through the PHARE program in particular, the EU has provided Hungary with financial resources and also technical assistance and material needed to train both regional and national environmental staff in the management of the EIA process (OECD 2000: 134). This is perceived by the informants as a decisive influence on behalf of the EU, improving the capacities of the environmental administration in Hungary (interview). The PHARE program’s ambitions of “[…) developing the applicants’ capacity to implement EU legislation and prepare for participation in EU policies” (Grabbe 2001: 1023) seems to work according to intentions.

\(^{56}\) For instance, Commission and Member States experts came to Hungary in April 2002 to get information on Hungarian administrative capacity (interview).

\(^{57}\) See the following web-site for further information:

Advice and twinning

The seconding of officials from EU Member States to the Hungarian administration does occur, but it has not been applied to EIA affairs until this year (interview). Since February 2003, the very first twinning project on EIA in Hungary has been in operation. Previously, Hungarian officials have rather traveled to Member States themselves, picking up what they found appropriate and useful to a Hungarian context (ibid.). According to one of the informants, the reluctance to make use of twinning projects may be explained by a proud Hungarian political culture, going back to the pre-communist era, when public administration enjoyed a high status and a good reputation (ibid).

Another issue is that the character of the twinning projects reflects what Grabbe calls “(...) the lack of institutional templates” (2001: 1026) on behalf of the EU. The workings of twinning projects are as follows: The Hungarian government puts forward projects in areas where they would like assistance. These proposals are subject to approval by the Commission, and Member States bid for the contracts to supply the officials (Grabbe 2001: 1024). The applying government decides which bid to take on, and the chosen country sends civil servants to work in the Hungarian government, sharing knowledge and experiences with the national administration. Thus, the applying country will often choose a country with which it is familiar and even similar, giving the twinning process more a character of bilateral exchange of views than a medium for any identifiable ‘European’ influence on institutional change (Grabbe 2001: 1024; Jacoby 2001: 184).

6.2.3 Overall assessment

Any EU impact on the Hungarian EIA system may also be assessed according to the three main indicators used throughout this thesis.

In terms of vertical co-ordination, the EIA Directive does not require any specific arrangements, leaving this to the national level. In line with the EU emphasis on practical implementation, however, the need for improvements in
Hungarian practice has been in focus of EU-Hungary contacts on a regular basis. While the decentralization of some responsibility to local authorities in the early 1990s was not due to EU pressure as much as part of a general system change, the increasing focus on existing inadequacies related to these entities in the EIA process is. As mentioned previously, national efforts to assist municipalities in carrying out their tasks in the EIA process are presently in operation (interview). Indeed, this is identified as a key area in which the national system should be improved.58

Considering horizontal co-ordination, the Hungarian arrangements with several co-authorities possessing veto-rights in the granting of permits is explained as a specific, national feature. By this distinct quality, environmental considerations have been sheltered from political pressure in other sectors and thereby been attended to throughout the process. Following the same logic, environmental authorities carry the sole responsibility for the EIA process on a national level. This is another area where the EU Directive does not define any precise requirements when speaking of national solutions, but the linking of this instrument to the characteristics of the 5th EAP and sustainable development is quite evident:

(…) the assessment procedure is a fundamental instrument of environmental policy as defined in Article 130r of the Treaty and of the Fifth Community Programme of policy and action in relation to the environment and sustainable development (European Council 1997).

The motive for evoking this connection is, naturally, to emphasize the integrative ambitions of the EIA procedures, securing a consideration of environmental issues in sectoral policies. In this respect, EU ambitions and Hungarian practice are widely different. Hungary is now in the process of implementing a directive on Strategic Environmental Assessment, with a main focus on strengthening horizontal integration of policy. It remains to be seen whether this regulation may provide impetus to a more integrative Hungarian

58 See footnote 38.
approach. So far, Hungarian authorities have been rather skeptical of this innovation – and thereby in line with traditional attitudes.

The last indicator to be assessed is the public participation issue. As shown previously, this is an area where amendments have been made in national legislation on more than one occasion. This is also an area where the EU Directive does pose requirements, and where inadequate arrangements have been rather easy to identify. In the 1993 Government Decree, there were no provisions for public participation in the preliminary phase at all. With the 1995 regulations, this inadequacy was corrected – in the very amendment process of which Aleq Cherp stated: “The 1995 EIA Regulations were developed with two major purposes: to comply with the EU EIA requirements and improve public participation provisions” (1999: 120, footnote).

Having harmonized legislation, much work has been done in the following years in terms of correcting unsatisfactory practice. Improving working condition between officials and developers on the one hand and the public on the other is starting to show results (Hanf and O’Toole 1998), and remarks from the civil society both at the public display of the preliminary assessment and the public hearing in the detailed phase are increasing (interview).

6.3 Summary

When asking one of the informants whether Hungarian EIA was influenced by EU requirement, the answer was: “Without the EU, there would not have been any EIA system as we know it in Hungary today” (interview). Although somewhat blunt, this statement was seriously meant; when studying which European countries that possess EIA systems, there is a clear division between those countries associated to the EU, and those not.

Clearly, the EU Directive on EIA procedures has influenced the Hungarian system. This is most evident when studying the formal approximation of
national legislation. The newest Hungarian EIA Decree fully complies with the EU Directive, and so far the EU policy may be characterized as implemented. However, national practice displays quite distinct national traits. While this is not surprising, considering the nature of EU directives in general, some of the national features stand in opposition to expressed aims with the EIA processes, formulated by the EU. The most striking example is the horizontal organization of the administration, creating an EIA system where prospects for an integrative approach of environmental considerations are rather bleak.

The two other indicators in center of this presentation of the Hungarian EIA system have also organizational histories far from the ideals corresponding to the EU requirements. Nevertheless; national arrangements for vertical co-ordination and public participation have been changed, and compliance with EU requirements have been sought. Formally, this is accomplished, but there is still a way to go with compliance in practice.

It is certainly possible to comply fully with EU requirements and at the same time display traditional, national systemic features. In the case of Hungary, however, national features continue to exist partly to the detriment of fulfilling EU requirements.
7 Reconnecting with the theoretical assumptions

In the introductory chapter, two research questions guiding this analysis were presented, both concerning the Hungarian EIA system. The first applied to the matter of change versus continuation in national regulations and practice. The second concerned the influence of EU policy and the EIA Directive, of which certain elements were believed to prove highly demanding to the Hungarian system, especially in terms of practical implementation. To be able to answer these questions, a theoretical framework and a model was constructed. Here, Hungarian EIA regulations and practice were predicted as being dependent on EU pressure as well as national institutional autonomy. Such a transformative perspective has its strength in its contextual character, acknowledging the role of specific national features in explaining variations in adaptations to EU policy.

Having described the variables and the case in question, it is now time to reconnect the empirical material with the preceding theoretical assumptions. In the following, general observations based on the theoretical framework will be assessed against the factual observations from the case-study, analyzing how appropriate a transformative perspective is in evaluating implementation of EU environmental policy.

7.1 Impact of EU policy – a case of environmental determinism?

In line with all theoretical perspectives, the one labeled environmental determinism describes phenomena in a way that is far too clear-cut and one-dimensional compared to complex empirical realities. These are not new observations, to be sure – the very function of theories is precisely to reveal the essence of a phenomenon, often to the detriment of accuracy in details. The essence in this perspective is to focus on the way external forces curtail the autonomy of institutions and national decision-makers.

59 See chapter 1.3.4.
When it comes to the impact of EU policy on the Hungarian EIA system, there are certainly different opinions as to how real and how decisive it has been. Determinism is actually a word that comes in mind when one of the informants to this study exclaimed “without the EU, there would not have been any EIA system as we know it in Hungary today” (interview). This is, however, only one opinion, partly contradicted e.g. by other informants. Some were in full disagreement of the above quote; while understanding the development as influenced by external sources, emphasis was rather on a general, international diffusion process and not a result of any EU influence in particular. Close cooperation with Germany, Austria and Great Britain had been crucial for the development of Hungarian practice, mostly in bilateral settings outside an EU framework. Even within an EU setting, e.g. in twinning operations, no coherent EU policy is displayed. Acceding Countries receive advice from present Member States and their specifically national experiences. As such, the lack of institutional templates on behalf of the EU is disclosed, making it difficult to avoid a diffusion of influence.

Following Grabbe (2001: 1025), it is important to keep in mind that the EU has no traditions for involving itself deeply in member state governance. To be able to meet the more comprehensive ambitions in terms of EU influence in the Acceding Countries, qualitatively new and different mechanisms were necessary preconditions. These did not materialize, at least not in a sufficiently comprehensive fashion, nor as early as it should have (ibid.). Agh (1999: 849) also reflects upon the unexploited potential on the side of the EU in the negotiation process. Thus, when assessing the degree of polity and policy adaptations in Hungary, it is wise not to forget that this is not solely a matter of national adaptive capacities. The other side of the story is the manner in which the EU makes its arrangements for achieving desired results.
7.1.1 **General findings on the EU mechanisms of Europeanization.**

Within accession, a major task of the EU is to control how the *acquis* is implemented in all Acceding Countries, both in terms of formal transposition and practical application. For this purpose developments are regularly monitored through Regular Reports, Association Committee meetings, Sub-Committee meetings and ad hoc meetings at expert level. Previously, some mechanisms through which the EU tries to influence progress were assessed in the case of Hungarian EIA procedures.\(^6\) It became evident that the impact of these efforts, when tried on a specific case, was indeed diverse. This may not come as a surprise, as Grabbe states that “(…) the extent to which the EU has definitely effected change varies across institutions and policy areas as well as countries” (2001: 1025).

The most powerful tool of conditionality, the means of *gate-keeping*, has not been applied in attempts to influence Hungarian EIA policy. In general, the bluntness of this instrument makes it poorly fitted to the aim of shaping aspects of governance, an aim which requires sustained and consistent pressure at a deeper level within national administration (ibid: 1021). The EU approach is more based on trust, further illustrated by the non-applicability of infringement procedures to other than Member States (interview).

Another mechanism which has been of limited value in changing Hungarian EIA policy is called *twinning*. As previously described, the way twinning procedures have been arranged, they have not worked as a medium for any specific EU influence on institutional change. This is what Grabbe (ibid: 1026) points at when she describes the lack of institutional templates in EU policy towards the Acceding Countries. In order to create change, efforts have to be coherent and coordinated, and specific aims and targets need to be in place. While Christensen and Lægreid find that an inadequacy with NPM reforms is

\(^6\) See chapter 3.3.
multiple and inconsistent means and aims (2001: 301), the same logic applies to EU attempts at reforming governance in Hungary and other CECs. This is not to say that there are great flaws in the EU approach; the attempts may rather be seen as functions of a specific political system. The EU is not designed to intervene directly in national governance, which is reflected in the results of the abovementioned mechanisms.

A further point is the Hungarian attitude to instruments like twinning agents. Compared to other CECs, the Hungarian government has requested very few of these projects.\textsuperscript{61} According to informants, this has to do with the proud administrative culture going back to the pre-communist era (interview). Rather than importing advice from EU Member States, politicians and bureaucrats in Hungary have traveled to the West, collecting information and solutions to their own liking.

All the same, Hungarian EIA regulations and practice have certainly been informed by EU policy, and the perspective of \textit{environmental determinism} does explain some important features of the empirical observations in this study. In his description of this perspective, Olsen (1992: 3) is concerned with the impact of \textit{competitive selection}. Institutions that do not manage to adapt to changing environments and new circumstances loose support and wither away (ibid.). As discussed in the theoretical presentation, a distinction is made between the \textit{technical} and the \textit{institutional} environment. Within the last perspective, where maintenance of legitimacy in its own right is perceived as more important than improving actual performance, \textit{coercive isomorphism} is presented as one source of convergence.\textsuperscript{62} When looking at the remaining EU conditionality mechanisms, both concepts like competitive selection and

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{61}] Although the first twinning projects in EIA have started this year, as mentioned previously.
\item[\textsuperscript{62}] See chapter 2.2.1.
\end{itemize}
\end{footnotesize}
coercive isomorphism seem appropriate, adding relevance to the theoretical perspective.

Through PHARE, and more recently SAPARD and ISPA, the Acceding Countries have received substantial amounts of financial assistance. Since the upstart of accession negotiations in 1998, support from PHARE has become accession-driven and not, as previously, demand-driven. As a result, financial aid has been coupled with specific shortcomings in individual countries, as identified in Regular Reports. According to Jacoby, this new regime has resulted in PHARE officials dictating the agenda for institutional changes (1999: 1). Thus, financial support is closely connected to the last conditionality mechanism; benchmarking and monitoring. The assessments of applicant countries and their performance in adapting to the acquis are most visible in the high-profiled Regular Reports, but the institutional linkages mentioned above provide for continuous monitoring.

In conversations with informants to this analysis, financial and technical assistance through PHARE were emphasized as particularly important in developing an EIA system of satisfactory standard (interview). Both education material and financial resources were significant contributions from the EU in developing necessary national expertise in the field of EIA procedures (ibid.). Additionally, monitoring and bench-marking have been instrumental in improving existing legislation and practice. National adaptations following criticism in Regular Reports are changes that most explicitly connect to EU pressure. Also, the use of bench-marking through high profile reports and peer reviews has certainly attained an element of competition among the applicant states. To the EU, it has been a basic dilemma whether to go for team or performance approaches. While competition is considered a positive incentive

63 Through the Accession Partnerships.
64 See chapter 3.3.3.
to comply with EU requirements, it would be too time-consuming and costly to admit the Acceding Countries individually. To Hungary, however, it has been crucial to have its good performance taken into consideration and its accession not delayed too much by a team approach (Agh 1999: 842).

These observations make it clear that *environmental determinism* as an analytical perspective does capture important mechanisms in the development of the Hungarian EIA system. Not without due cause, the enlargement process has been perceived as a race among contestants where the EU is the most important determinant in the environment. There seems to be a general agreement in the literature that the new Member States will benefit economically from admittance (see e.g. Agh 1999: 841; Sjursen 2002: 497).65 Accepting these views, emphasizing an *environmental determinism* perspective does not seem far-fetched. The EU decides which countries will be accepted as new members. The ones that are well adapted and produce positive results ‘survive’, i.e. become members, while the others lose support and legitimacy. In this sense, “(…) competition eliminates inefficient institutions efficiently” (Olsen 1992: 3).

While these perspectives are alluring, they are still *views*, open to challenge. The question of membership in the EU has certainly been a prominent feature on the agenda in the CECs for many years. All the same; it is evidently wrong to make the question of admittance a fight for survival. The EU may be important, but it is only one element in the environment, and indeed one that is characterized by uncertainty when it comes to future developments. Further, in the case of Hungarian adaptations, EIA regulations and practice is not the most decisive topic, making the above discussion somewhat *grand*. It is, however,

65 Not to say that they will not benefit in other ways; but the economic perspective has traditionally been at the centre of attention.
exposed to the same overall conditionality mechanisms, keeping the arguments relevant.

By highlighting EU mechanisms for Europeanization of performance in the Acceding Countries, the intention has been to show how these have been relevant to the case of Hungarian EIA policy. Knowing that there are several sources of influence in the environment, focusing on these mechanisms has been a means to isolate pressure that is specifically related to the EU. Some have proved less influential, while others have made a definite mark on national policy. In the following section, formal and practical changes will be scrutinized further, seeking some answers as to how the EU has made an impact.

7.1.2 Legal transposition and practical implementation

It has been made clear on several occasions that Hungarian legislation as of 2001 is in compliance with the EU EIA Directive. Besides the statement in the Government Decree itself, analyses by both Caddy (2000) and Cherp (1999) confirm this. Also, one of the informants to this study claimed that current regulations are too much focused on the EU Directive, resulting in a lack of ‘organic fitting’ to specific Hungarian relations. In his analysis on public participation procedures in EIA in Hungary, Palerm (1999: 220) claims that some elements of Hungarian legislation even surpass requirements of the EU.

Evaluating Hungarian adaptations to the EU EIA Directive can not be restricted to assessing formal transcriptions of laws. A main motivation for extending the analysis to practical application is partly grounded in the theoretical distinction made earlier, between technical and institutionalized environments. If an institution adapts to pressure from the environment in order to gain legitimacy rather than improve performance, it may be adequate to change the formal structure of the institution. Thus, an appearance of change is displayed, while actual practice may proceed in traditional ways. Such decoupling of formal structure and informal practice are crucial features of an institutionalized
environment perspective, analyzed e.g. in “The Organization of Hypocrisy” (Brunsson 1989) and “Formal Structure as Myth and Ceremony” (Meyer and Rowan 1991).

In the case of Hungarian EIA, however, sincere efforts to change elements of practice have been revealed. This applies especially to one of the three indicators emphasized in the analysis; mechanisms of public participation. The fact that this is the area where changes have occurred most distinctively comes as no surprise – it is the only area where distinct requirements are made in the EU Directive. When it comes to vertical and horizontal co-ordination, no criteria for EIA practice are expressly mentioned. That Hungarian practice in these fields may not be in line with more general EU policy visions as expressed in the 5th and 6th EAP is another issue, creating a more indirect and less binding pressure.

The prospect of membership in the EU is indeed related to legitimacy issues, as is the general reorientation towards Western values and modes of life (Lippert et al.: 2001: 982-83). Nevertheless, visions of increased technical performance, e.g. in EIA policy, is evidently another important motivation (interview). EU policy has proved relevant, both in terms of a technical and an institutional environment. National EIA legislation is compatible with EU legislation, and indications are that progress is made in practical implementation, illustrated by improvements in securing public participation. As to the other indicators emphasized in this thesis, practice cannot be adequately explained by environmental pressure. Expectations based on the theoretical perspective are therefore only partially confirmed.

7.2 Hungarian EIA-policy: A Case of Institutional Autonomy?

The other perspective in centre of attention in this analysis is a natural counterpart of the first one. While the focus of environmental determinism is on uniformity in response to environmental pressure, an institutional autonomy
perspective has a focus on the impact of recipient institutions and their specific histories. What is decisive in order to assess or predict the impact of environmental forces, is the degree of institutional *fit* between reform attempts and institutional histories in the recipient country. *Compatibility* is a key-word because real changes are only to be expected if adaptive requirements do not exceed the limits of the logic of appropriateness of national institutions (Knill 1998: 2). If pressure from the European level challenges the core of Hungarian institutional traditions, changes are not to be expected due to the autonomy of organizational features and ways of thinking that pervade the national executive. The reform road taken reflects the main features of national institutional processes (Christensen and Lægreid 2001: 2), and reform processes are therefore to be understood as highly contextual and leading to *divergence* rather than convergence.

When trying to predict findings in the introduction, a completely different scenario was also pictured. Under specific circumstances, institutional theories acknowledge the possibility of radical change. This is in cases of crises, when institutions lose their legitimacy due to large gaps between expectations and actual performance. At first sight, such a scenario seems applicable to the situation in Hungary following the political revolution of 1989.

In the previous chapters, characteristics of Hungarian core administrative traditions have been highlighted by scrutinizing three organizational features in EIA processes, i.e. the vertical and horizontal coordination and mechanisms of public participation. In line with reasoning in the theoretical framework, focus has been on organizational features because of their significance in the wider institutionalization process (Egeberg 2001a and b). The more traditional way is to treat the formal organizational structure and the informal, historical-cultural traditions separately (see e.g. Christensen and Lægreid). Choosing to fuse the two is certainly not innovative; it is rather an evaluation based firmly in classic texts of the institutionalist discipline (Peters 1999: 3). Connecting to more
recent contributions, it may be seen as a specification of institutionalist arguments of how institutions affect behavior, interests and identities (Egeberg 2001a: 1).

In the following, a few important findings on the institutional level will be addressed and assessed in light of expectations of an institutional autonomy-perspective.

7.2.1 Findings on Vertical Co-ordination of Hungarian EIA Policy

When looking at the Hungarian EIA system from its inception and towards today’s practice, the picture of continuity versus change is somewhat mixed. It would be fair, however, to emphasize continuity as the stronger color, indicated e.g. by the role of the Regional Environmental Inspectorates. They have been the heart of the field presence for enforcing environmental regulations since before the political revolution and, of course, before any EU pressure existed. In conversations with informants to this study, emphasis was on the pre-existence of a system that was highly operational and well-suited to the adding of EIA procedures (interview). This was where expertise had been developed for many years, and the solid performance of the REIs were highlighted several times, indicating no need to reform this part of the system (ibid.).

Evaluations of how well work has been co-ordinated between the Ministry of Environment and the REIs are certainly not unison; Hanf and O’Toole criticize the large degree of autonomy given to the REIs, diminishing political control with environmental management in general (Hanf and O’Toole 1998: 105). Also, quite negative performance assessments are made: In Cherp (1999: 122), the small minority of projects proceeding to the detailed EIA stage is explained as conscious acts to shorten the procedure and avoid public hearings. In Hanf and O’Toole (1998: 105), the REIs are charged with serious misconduct, by working both as state officials and as private consultants.
Worth noting, however, are the responses given by informants when confronted with these statements. The allegations of consciously shortening procedures were not unequivocally repudiated; rather, they were met with acquiescence and tacit acceptance (interview). In general, authorities in Hungary view the EIA process as too thorough and time-consuming, and the preliminary assessments are deemed to be sufficient in most cases. This is probably why the statement by Cherp did not create much discussion. As to the second claim, this was indeed repudiated; the plausibility of such a behavior passing unnoticed was not left much chance (ibid.). The common explanation was that EIA regulations today are highly transparent and leave no room for gross malpractice by chief actors.

The strong position of the REIs, specifically emphasized by the informants, is a vivid example of continuity in organizational structure. Certainly, no EU directive has ambitions of changing this. All the same, it is a case of institutional strength when specific features from the socialist era survive. According to Elster (1998: 18) et al., this is not in line with regular expectations:

(...) hardly any of the institutional elements of the old order can be relied upon, i.e., is considered (or, for that matter, openly advocated as being) worthy of preservation for more than a transitory period, or recognized as a worthy legacy. Virtually anything must go and be replaced by something new.

The idea of a simple replacement of institutions due to performance crises does not materialize in this case study.

At the same time, the inadequacies pointed at may also serve as illustrations of institutional roots. The reluctance to proceed with detailed EIAs for any other projects than those for which it is mandatory reminds of socialist environmental governance. This is even more so when including the perceived motivation; in order to avoid public hearings and thereby speed up the procedures. Fifty years with a political system of mostly top-down closed governance, sheltered from public interference, is not easy to mould.
Regarding the second statement, where the REIs are charged with acting both as government authorities and as private consulting firms, institutional behavior may again be coupled to organizational structure. Designed as distinct entities on a regional level, the REIs have operated with considerable autonomy from the central ministry in Budapest (Hanf and O’Toole 1998: 105). As a consequence, an institutional insulation has developed between regional decision-making and the central national policy unit (ibid.), allowing the ‘dual-role’ practice of the REIs. Paying heed to the informants’ unanimous disclaimer of its existence in today’s system, steps seem to have been taken in ways of changing patterns of behavior. It is indeed interesting to notice their explanations of this change; the increased emphasis on mechanisms for transparency in the system, opening up the institutions to outside criticism. Even here organizational features come to the fore as explanatory variables.

Still; according to theories on institutional autonomy, inducing behavioral change by means of organizational restructuring is by no means straightforward. This is especially true of organizations that are institutionalized – understood as incorporating values beyond what is required to perform strictly organizational functions (Egeberg 2001a: 8; Selznick 1957). As features of the organization become important for their own sake and eventually define actors’ interests, behavior and loyalties, the organization becomes an institution and thereby more resistant towards change.

According to the theoretical framework in this study, an organizational approach offers complementary insight in understanding processes of implementation by pointing at specific organizational features. An organizational approach may be helpful in identifying reasons for institutional durability, as illustrated above. Flipping the coin, it can also be a tool for reorganizers, providing some knowledge on expected consequences on restructurings.
Following the system change of 1989, the former Soviet-type county and municipal local government was fundamentally transformed, as depicted earlier. In line with the theoretical assumptions of *institutional autonomy*, such a comprehensive and far-reaching reform is highly challenging. In a heavily institutionalized organization as a state executive, changes in behavior and loyalties are expected to be very slow, indicating *what kind of challenges* the new structural set-up will meet. In Hungary, more than 3000 local units were given political autonomy and responsibility, changing the relationship between national and local authorities quite radically. To no surprise, old habits of mind restrained the working of these new relations. Hanf and O’Toole (1998) find that co-ordination in environmental matters has been weak, with both contradictory regulations and an overloading of duties coming from national authorities. Further, the REIs have not always been willing to let go of functions decentralized to the local level, creating friction also here. At the same time, the municipalities jealously guard their autonomy with a natural inclination against national intrusions of any kind. This is all the more difficult as resources are very low in most municipalities, both financial and human – in terms of expertise.

Thus, in redesigning an organizational structure where all decision-making and all resources are allocated at the very top of the government machinery, some enduring patterns of institutionalized behavior must be taken into account. This can also be detected in EIA practice in Hungary, where co-ordination in procedures has been hampered by corresponding issues. The municipalities have been assigned decision-making authority, protected under the constitution, of the physical planning process in local development plans. At the same time, responsibility for EIAs – which is a part of the physical planning – lies with the Ministry and the REIs. This division of authority has been a source of turbulence, as municipalities in need of revenues have been inclined to push for more projects getting through the complex bureaucratic procedures, putting
pressure on the EIA process (interview). As portrayed in chapter four, corresponding arrangements existed in Norway, until a co-ordinating effort was made in the process of harmonizing the EIA system to EU rules. Preliminary assessments of these measures have been positive, indicating that the decentralization of EIA responsibility to local authorities have been successful. Considering the strong traditions for local self-government in Norway, this is not surprising (interview).

Also, the Hungarian Ministry of Environment has been dissatisfied with the way municipalities have performed their duties in the EIA process itself. Trying to improve this, efforts have been made to train local officials. It remains to be seen whether local practice is conducive to these national initiatives.

7.2.2 Findings on Horizontal Co-ordination of Hungarian EIA Policy

In this section, the two features emphasized in the previous chapter will be assessed in light of the theoretical framework. A common keyword is specialization, both between the environmental sector and other administrative sectors, and within the environmental sector.

Inter-sectoral specialization

The Ministry of Environment is one of the youngest ministries in the Hungarian government, established as late as 1987. Naturally, this reflected its position in terms of power and influence. True; environmental organizations existed in Hungary prior to the revolution, and they even played an important role in the events of 1989. This was not, however, due to the strength of the environmental movement per se. As these movements were perceived to be of no threat to the political establishment, they were used by political dissidents with other agendas (Klarer and Moldan 1997: 11). During the 1990s, environmental issues have certainly not gained in prominence. In times of economic hardship and focus on transforming the political and economic system, environmental authorities have had a hard time fighting other interests.
Recognizing their rather weak position, a main concern of environmental authorities in Hungary has been to develop a high level of expertise in their own ranks. Further, a priority has been to shield environmental issues from outside influence, i.e. from sectoral interests with other agendas. Not to say that interaction between ministries on environmental issues has not occurred; it is, obviously, neither possible nor desirable to isolate these affairs to one ministry. Sharing of information and discussion of alternative solutions are crucial modes of interaction, necessary to secure a proper handling of environmental policy. Features of influential significance, however, has been kept within the organizational boundaries of environmental management. This applies in particular to human resources in terms of expertise, as well as relevant decision-making functions. What comes to mind in this context is a quote cited previously, where Goetz and Wollman (2001: 868) characterize the Hungarian executive under communism as a “functional village life”. As such, the case chosen in this analysis displays a practice in the post-communist era that is consistent with institutional traditions. While integration of environmental considerations into sectoral policy has been a central ingredient in the EU’s 5th and 6th EAP, a more fundamental priority in Hungary has been to secure autonomy for environmental interests.

Quite interestingly, in light of the assumptions drawn from an institutional autonomy perspective, these organizational mechanisms seem to have worked to the extent of institutionalizing a way of thinking. When confronted with the Norwegian EIA system, my informants in Hungary even expressed a personal identification with their national system. Arrangements where sectoral authorities were assigned responsibility for the EIA procedures were deemed highly unrealistic and even unfavorable in a Hungarian context. If environmental authorities themselves did not control the process,
environmental considerations would certainly be given less weight in decision-making (interview).

It is important to keep in mind that the EU EIA Directive does not include any obligations as to the allocation of responsibility for these procedures. Neither is the focus on sectoral responsibility in the Norwegian system a typical EU or western way of organizing EIA processes. Nevertheless; considering the EU emphasis on integration of environmental considerations in sectoral policies, and its involvement in governance issues in the Acceding Countries, Hungarian practice conveys a strong case for an institutional autonomy perspective on these issues.

Objections to the above reasoning are certainly imaginable; for instance, it is possible to argue that the focus on autonomy in Hungarian environmental management is as much a case of survival technique in a process of transition to a market economy as it is related to more internal institutional features. Such an interpretation reflects the significance of an institutional environment, although in a wider sense than looking to the EU. Ever since the events in 1989, Hungary has been expected to ‘rejoin Europe’ in line with the other CECs (Sjursen 2002: 503). A central aspect of this rejoining has, of course, been adaptations to market mechanisms in the economy. This has even been a precondition for some of the assistance from Western organizations (Elster et al. 1998: 15), e.g. OECD and the EU. In a system transformation where economic aspects are inevitably in the centre of attention, hard fights need to be put up in order to defend environmental interests. Contrary to the general pattern of external influence, this focus on economic performance may have contributed to preserve national institutional features.

Therefore, it is very difficult to differentiate between the impact of institutional autonomy and environmental determinism in this specific case. They both pull in the same direction, creating incentives for environmental authorities to
hedge around sectoral interests. Dilemmas concerning which theoretical perspective displays the most correct picture of reality is unavoidable in complex processes such as these, and the most reasonable interpretation is probably to highlight both influences.

*Intra-sectoral specialization*

At the level of enforcement and practical implementation, the picture presented was once again one of institutional specialization. In addition to the REIs, which are assigned primary responsibility for the EIA process, several other environmental units act as co-authorities, each having a possibility of obstructing the granting of environmental permits to which it does not agree. These authorities have created institutionalized arenas for co-operation and discussion, securing thorough examinations of environmental consequences of proposed projects. The specific arrangements of common decision-making authority, with all units possessing a right of veto, have been instrumental in protecting environmental interests from undue political pressure (interview). It is quite interesting that the flourishing of specialized units, otherwise assessed in negative terms, actually works in favor of environmental interests in the EIA process.

The arrangements for horizontal co-ordination of policy in EIA affairs thus reflect institutional roots and routes; traditional arrangements manage new functions within old organizational boundaries. Facing new stimuli, the natural reaction according to a logic of appropriateness is responding in standardized ways, seeking well-known solutions (Christensen and Røvik 1999: 160-61). Well-established features also seem to convey institutionalized values, illustrated by marked differences between Hungarian and Norwegian attitudes towards sector-responsibility in the EIA process. To some extent, however, the persistence of institutional features may have been strengthened by environmental pressure from the wider international community, as indicated above.
7.2.3  Findings on mechanisms of public participation in Hungarian EIA policy

Of the three indicators of EIA arrangements in this analysis, the public participation issue deviates from the two former mechanisms. While the other indicators treated aspects within the political-administrative system, issues of public participation concern relations between the government and the civil society. Having some knowledge on the workings of the former political system in Hungary, it is fair to say that the existence of regular, institutionalized arenas of contact between authorities and the average Hungarian has been rather scarce. Thus, when EIAs were introduced in 1993, these arrangements were in a way drawn on a tabula rasa, organizationally speaking. Chances of change seemed better without visible roots restraining the reforms.

Naturally, however, absence of specific experiences does not create institutional voids. New arrangements have to compete with old habits. Even if the situation was tabula rasa in institutional terms, massive constraints existed in empirical terms (Elster et al. 1997: 19).

Legislative improvements have been made since the 1993 Government Decree, where no provisions for public participation existed until very late in the process. Today, the preliminary EIS is available to public display in the municipalities, and public hearings are arranged for projects that continue to the detailed phase. Still; when it comes to practical implementation, weaknesses continue to impair the system. In a recent review on environmental performance in Hungary (OECD 2000: 140), it is stated that public participation is not given enough attention by the government, especially at the regional and local level. These conclusions agree with observations made in this analysis; the practice in the REIs of limiting the number of detailed EIAs to avoid public hearings, as well as the non-satisfactory performance by local government in organizing public displays and announcing public hearings.
All the same, changes and improvements are more pronounced in these aspects of the EIA system, and in environmental policy in general. Working relationships have developed between the government and environmental (and other) NGOs, and the increased interaction has also entailed recruitment of government state secretaries from the environmental movement. As to EIA practice, the general public now has the opportunity to express its views early in the process, which is a precondition to make a difference in the decision-making process. The involvement of environmental NGOs identifying themselves as interested parties is now mandatory. Also, the time frame has been extended, giving everybody a fair chance to speak up even if procedures for announcements are still somewhat imperfect. Taken together, these measures have made a difference, taking the Hungarian EIA system in the direction of enhanced public participation (Palerm 1999: 220).

While a stronger process-orientation seems to be evident, there are still clear signs of a socialist heritage. The government believes the process is overly time-consuming, showing in the percentage of projects reaching the detailed stage. Developers have a tendency of regarding it as an obstruction to their interests, leaving much of the work to external consultants. These are features that still hamper Hungarian EIA practice, in spite of all improvements.

A quick comparison with Norway is illustrative: As in Hungary, all interested parties may convey their opinions at the mandatory public displays of preliminary assessments. In addition, however, the Norwegian authorities recommend that the developer arranges a public hearing at this stage (Kristoffersen 1998: 31), knowing how crucial it is to collect as much information as possible at an early stage. What is interesting is that these advisory regulations are, in most cases, acted upon. Public hearings are arranged, increasing the time-horizon of the EIA process, because the developers find that it is in their own interest (interview). Surely, this element
of the Norwegian system displays the principle of *shared responsibility* in an exemplary fashion.

Interpreting the differences between the two national arrangements, it is reasonable to assign some weight to institutional histories. When it comes to performance in including public participation, Norway’s democratic traditions make it far more experienced with state-society relations. Following Knill (1998), the adaptive pressure was *low*, creating no difficulties for existing administrative provisions. To Hungary, the adaptive pressure was rather *high*, inducing expectations of ineffective implementation. In this case, however, a negative assessment of Hungarian implementation would not be correct. Of the three indicators evaluated in this analysis, this is the one area where change is clearly reflected, and also where the impact of EU policy is most evident. As such, the development of procedures for public participation can not be fully understood within an *institutional autonomy* perspective.

Summing up, arrangements of vertical and horizontal co-ordination of Hungarian EIA policy clearly display the relevance of the *institutional autonomy* perspective, even in a context where performance crisis would be an appropriate description of the immediate past. Changes are more evident in public participation issues, showing the significance of environmental pressure. Expectations from an institutional autonomy perspective were only partially confirmed.

### 7.3 Applying a Transformative Perspective

The analytical model presented in the introduction looks at the *dynamic relationship* between the reform features and the different perspectives presented (Christensen and Lægreid 2001: 3). EU attempts at reform do have an effect on Hungarian EIA policy, but they are transformed in the implementation process when they encounter national contexts. Such
transformations may reflect a lack of compatibility between reform content and national institutional norms and values (ibid.).

The specific combination of Hungarian experiences with environmental pressure and institutional traditions has created an EIA policy that is unique. Certainly, a number of general features are common to national EIA systems in most Member States as well as Acceding Countries, but a closer look reveals that specific arrangements are individually suited to each country. This is due to the character of the EU and their pressure for influence, features of the EIA instrument itself and autonomy of institutional arrangements in the recipient countries. The configuration of these variables decides how much leeway decision-makers have in controlling the reform process. Individual actors operate within constraints and opportunities given by environmental and institutional factors.

In the case of Hungarian EIA, elements of both continuity and change have been found. EU pressure has been most visible in the improving of mechanisms for public participation. This is also where the Directive itself is quite specific, as opposed to the choosing of arrangements for vertical and horizontal co-ordination. Throughout the thesis, however, it has been argued that EU environmental policy in general leaves no doubt as to the priorities on these issues, creating pressure of a more indirect nature. All the same, Hungarian arrangements clearly reflect institutional continuity, keeping features dating back to the previous socialist regime.

In this mix of elements, incorporating both external impulses and traditional solutions, it is interesting to observe that the most pronounced impact of EU pressure is where organizational solutions are also linked to the formal legislation. True, no exact solutions for mechanisms of public participation are served in the Directive. It is, however, stated that the public concerned shall be given the opportunity to express an opinion before the development consent is
granted, that all information is made available to the public within a reasonable
time (European Council 1997: article 6), and that results of considerations and
information gathered pursuant to these comments are taken into consideration
in the decision-making (ibid: article 8).

Taking institutional traditions into consideration, changing practice on issues of
public participation were not believed to prove easier than changing
arrangements for vertical or horizontal co-ordination of EIA policy. They were
all assumed to present high adaptive pressure, and thereby stand out as
challenging objects in ways of implementation. While preconditions were
similar on the institutional level, they were different on the level of
environmental pressure. It proved important for the outcome that criteria for
public participation were more specific and directly linked to the legislative
text in question. This was especially important considering the shortcomings of
the EU system when attempting to influence national governance. A lack of
institutional templates, as identified by Grabbe (2001), is detrimental to
creating a convergence of policy in both Member States and Acceding
Countries.

In the fields of vertical and horizontal co-ordination of EIA policy, institutional
traditions were deemed more decisive than environmental pressure. Hungarian
practice reflects this, showing a high degree of continuity. Further, some of
these features are indeed well suited to the Hungarian context, creating few
incentives to induce change. Insisting on transferring responsibility for the EIA
process from environmental to sectoral authorities would presumably not be
instrumental in the present situation in Hungary. Informants to this study
emphasized this point, making it clear that the country was not prepared for
such arrangements as of today.

Thus, in line with expectations made in the introduction, Hungarian EIA
regulations and practice have proven to reflect both EU pressure for change and
a continuation of traditional institutional features. As such, the three indicators emphasized in this analysis have partially deviated from EU ambitions. One of the major achievements in applying a contextual perspective such as the transformative, is to make sense of these deviations. As Goetz highlights (2001: 1039), traditional modernizers and Europeanizers do not exhibit this quality, treating deviations from Western public bureaucratic practice as dys-functionalities and pathologies.

In the very beginning of this thesis, it was stated that findings of EU impact on national CEC administrations had so far been modest. There were no indications of any radical convergence of policy, in spite of expectations. This analysis does in many ways support such a view, emphasizing specific national solutions due to the robustness of institutions. Some degree of convergence may be achieved, depending also on appropriate mechanisms for pressure.

Rather than rejecting Western structures as inappropriate for current needs, CEE policy elites are learning to better analyze which aspects are useful for their political purposes and which are not (...). CEE elites must borrow selectively and then adapt structures, sometimes profoundly, to local circumstances (Jacoby 2001: 190).
8 Conclusions, Reservations and Reflections

8.1 Looking Back

Basic elements in this analysis have been an emphasis on *institutions and their environment* when explaining human behavior. More specifically, focus has been on what Olsen names *meso-* and *macro-*explanations of institutional dynamics* (1992). These structures influence on the maneuverability of individual actors. Hungarian decision-makers, in deciding on features of their EIA system, are bound to adhere to EU claims for harmonization of legislation and practice. At the same time, the ways in which Hungarian environmental administration and EIA system have traditionally been arranged need also to be considered. Specific forms of organization create specific ways of thinking, and these are not easily malleable. Institutional histories vary, resulting in different challenges in each case. Therefore, it is unrealistic to imagine similar EIA systems in e.g. Norway and Hungary, although the pressure from the EU, through the Directive, is similar. When filtered through the meso-level of national institutions, policy is *transformed* to suit each political system.

In this way, a transformative perspective emphasizes national contexts, predicting *limited convergence* of national administrative systems due to EU pressure. This is in line with previous findings on existing Member States, and therefore in opposition to *expectations* of Europeanization in a context of enlargement. As indicated in the introduction, the institutional robustness hypothesis was deemed less relevant when studying the transition countries.

If performance crisis, power asymmetry and high priority of an issue by the powerful party are important causes of change, the applicant countries could be expected to change and possibly converge on a single model imported from the outside (Olsen 2003: 519).

This view forms the background depicting more radical changes in CEC institutions than what has been the case in present Member States; due to de-legitimization and performance crises, traditional institutions were considered easy targets for efforts at instrumental reforms in the former socialist states. So
far, however, empirical findings have not confirmed these expectations (Goetz 2001; Grabbe 2001; Lippert et al. 2001; Knill and Lenschow 2000c). Expectations of a radical and fast break with the institutional legacies of communism have not been fulfilled. Rather, institutional continuity seems to prevail, possibly increasing the generalizing potential for hypotheses of institutional robustness. This is further strengthened by results in this study, notwithstanding the impact of EU pressure that is recognized.

Paying too much attention to a condition of crisis following the political revolution in Hungary may, however, be inappropriate. As shown throughout this study, the Hungarian ‘goulash’ communism was influenced by Western ways to a larger degree than most other CEC socialist regimes. Thus, the need for institutional changes following a shift of political system was correspondingly less acute, reducing the image of crisis in the Hungarian political-administrative system. Increasing the scope of an institutional robustness hypothesis on account of this single case study is therefore a daring act, as the situation in Hungary may not have been a typical illustration of institutional crisis. Further studies on other Acceding Countries are necessary to conclude on the viability of institutions in a context of transition.

In any case, durable institutions can not take the full responsibility for continuing divergence in national EIA systems. The environmental pressure, identified as EU policy, is not conducive to creating any dramatic convergence of national policies. Indeed, EU policy has made a difference in the Hungarian case, but the impression of continuity in national solutions is more profound. Explaining this has been of crucial concern to the analysis: The EU is not a full-scale supranational institution, and direct influence over national governments is still limited. As illustrated by the extensive use of directives, implementation issues are mainly in the hands of national executives. In addition, as Grabbe (2001), Jacoby (2001), Lippert et al. (2001) and Olsen (2003) remark, there is no single model of national administration in the EU
itself; there is a lack of institutional templates. Such institutional diversity underscores the existence of some maneuvering room, further increasing by the advantage of national elites in their knowledge of local conditions. Taking these features into consideration, a belief in limited convergence of policy is further increased, due to weakness in environmental pressure.

8.2 Methodological Reservations

Obviously, findings in this study must be treated with caution. While the EIA case itself is quite limited, the variables included to explain features of the dependent variable are grand, making room for different interpretations.\(^{66}\)

Naturally, the distinction between EU pressure and other forms of international pressure from the Western world is a fine one. EU membership is part of a broader intensified involvement of the CECs in multilateral policy-making. EU accession, however, puts adaptive pressure on these countries that go beyond the demands of other international organizations (Lippert et al. 2001: 983). This has been illustrated by the EU conditionality mechanisms and their relevance to EIA policy in Hungary.

The intermediate variable is also challenging in terms of control. Consider the example of environmental authorities and their emphasis on autonomy rather than integration in other sectors. Determining whether this behavior is caused by a logic of appropriateness, or rather as a strategic response to a transition process driven by economic imperatives,\(^{67}\) is very difficult. Firsthand knowledge of the subject is crucial to make any informed judgments on these complex matters. When one does not possess this knowledge oneself, assistance by informants is essential – which leads to another methodological challenge.

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\(^{66}\) See chapter 2.4.3 regarding comments on specific methodological challenges.

\(^{67}\) And thereby a logic of consequentiality.
In this study, nine people have been interviewed. Five of them are working with Hungarian environmental policy and EIA, providing firsthand information on the main issue in this analysis. In addition, one is situated in Brussels, representing the EU view on Hungarian adaptations. The remaining informants work with EIA in a Norwegian context. While conversations with these people have been highly informative, they still constitute a narrow foundation on which to base conclusions. For instance, it would have been appropriate to speak to people from the Regional Environmental Inspectorates, or even officials at some municipalities. Unfortunately, language barriers made this very difficult. A basic defense of the chosen approach is, however, its focus on general issues of interest in a context of political science.

Also, material provided by personal interviews constituted only a small part of the assembled data. A vast amount of secondary literature has contributed to the final result, as well as some official documents, from Hungarian authorities as well as from Brussels. Taken together, the picture presented should be indicative of the development of certain features in the Hungarian EIA system.

A last reservation concerns the research design. In this project, a case-study approach was deemed the most appropriate, mainly concentrating on experiences and characteristics in one political system. Some experiences from Norway were included, adding a comparative element to the case. These proved to be valuable, showing some interesting differences. A full-blown comparison, e.g. between two CECs, could provide additional insight on issues of EU influence and institutional robustness in Acceding Countries.

8.3 Looking Ahead

In the end, some reflections on the wider subject of EU influence on the Hungarian executive seem appropriate.
As has been noted on several occasions, EU efforts at influencing governance in CECs, and more specifically in Hungary, have only been moderately effective. In spite of an enormous potential, reflected in mechanisms and linkages presented in this analysis, the substantive outcomes are diverse. Explanations for these shortcomings have also been suggested; they are a function of the political system the EU represents, where individual and different Member States constitute the main components. In other words, ambitions to enhance EU influence trigger a discussion on quite fundamental issues of EU development. A stronger and more centralized EU, with a coherent and unified administrative structure, would probably increase possibilities for influencing national administrations. Quite another question is whether this is a realistic scenario of the development of European integration.

Further, it is appropriate to consider the extent to which EU influence is favorable in promoting a democratic development in Hungary. Grabbe 2001: 1029) points at a paradox when she finds that the EU’s efforts to promote democratic development are at odds with the incentives created by the accession process.

In particular, the stability of democratic institutions is one of the three general conditions for accession, and the EU has promoted the involvement of political institutions beyond the executive to implement and enforce the acquis. Yet, at the same time, the incentives and constraints created by the accession process support the emergence of a core national executive at the expense of other branches and levels of government.

It is indeed a cause for concern if the accession process itself has contributed to a development where only the top layer of central state officials become Europeanized, while the public remains excluded from European integration. This might reduce prospects for a pan-European demos to emerge and exacerbate the democratic deficit in the European Union itself (ibid.).

On the other hand, the EU pressure to influence Hungarian EIA procedures does not fit into the rather gloomy picture presented by Grabbe. Implementing a well-functioning, classic EIA system is a contribution to improving relations
between governmental authorities and the civil society as well as including all levels of government. Thus, a development of the Hungarian system in a democratic direction may assist the creation of a more democratic Europe in the next round.
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