ENVIRONMENTAL GOVERNMENTALITY AS A BASIS FOR REGULATORY REFORM

The adaptation of new policy instruments in Finland

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This article introduces the concept of environmental governmentality and the possibilities of applying it to the analysis of regulatory reform in environmental policy. The content of this - originally Foucauldian - concept is divided into four dimensions: the institutional structures and the role of different policy actors; political cultures as a feature of public policy-making; knowledge base of the policy development and its relationships to the power relations; and the effects of the environmental normalization and intensification process. The cases, which illustrate the theoretical approach, concern drafting of the EIA-law, advancement of carbon taxation and usage of voluntary agreements in Finland.

Regulatory reform and the shift towards new policy instruments

The limitations and regulatory failures of the traditional command and control approach have sparked a search for a second generation of instruments, which promises greater flexibility, efficiency, effectiveness and legitimacy. Leveque (1996a) has noted that there is a general regulatory reform taking place in environmental policy-making. The change in the choice of policy instruments is a world-wide trend. Since the beginning of the nineties, the number of eco-taxes, tradeable permits and voluntary approaches has been increasing in industrialized countries.

The regulatory reform has been especially drastic inside the European Union. The broadening of the set of policy instruments has been one of the key orientations of the new EU approach, as defined in the fifth action program ‘Towards Sustainability’ (COM 1993). Another key orientation of the new EU approach is the dialogue and consultation with the concerned parties. Nowadays, most member states endorse the use of stakeholder consultation in the development of new environmental regulation (Leveque 1996a). According to an analysis by Kooiman et al. (Modern Governance 1993), new ways of interaction between government and society in terms of governance and governing exist. Governing is not considered an activity restricted to governments and ministries, but as more or less continuous process of interaction between social actors, groups and forces and public or semi public organizations, institutions and authorities.

The regulatory reform has experimented with an impressive range of new public policy tools, which can be classified as ‘economic’, ‘co-regulation’ and ‘planning’ instruments. In addition, the private sector has itself developed so-called ‘self-regulation’ instruments (Leveque 1996b; Glasbergen 1998; Mol, Lauber and Liefferink 2000) The economic instruments include several types of environmental taxes and charges, tradeable pollution permit systems and government subsidies for environmental improvement. New planning instruments for environmental improvement include

1The article is based on the dissertation of the author (Sairinen 2000).
different types of activities that may involve, for instance, urban compaction, energy demand management and environmental impact assessment. Co-regulation (joint policy-making) is a category that covers cases where the interactive relationships between public authorities and firms are especially pervasive and close. It consists of voluntary agreements, ecolabels and conflict resolution models. Self-regulation corresponds to the increasing number of so-called self-initiatives and responsible care programs.

The governing mentalities behind the regulatory reform

The emergence of the new environmental policy instruments has often been associated with the ideas of ‘free-market environmentalism’ and the more general deregulative policies (Eckersley 1995; Collier, 1998). Supporters of these ideas favor the reduction of pollution into an optimal level - defined as the amount of reduction which consumers are willing to pay for once the full social costs of negative externalities are reflected in market prices. The idea is that policy instruments should inhibit the ‘market efficient behavior’ of economic actors as little as possible.

On the other hand, the regulatory reform has been linked to the strategy of ecological modernization (Mol, Lauber and Liefferink 2000; Liefferink & Mol 1998). In its different modes, the ecological modernization theory has stressed the increasing importance of economic and market dynamics in ecological reform and the role of innovators, entrepreneurs and other economic agents as social carriers of ecological restructuring, in addition to state agencies and new social movements.

If regulatory reform is linked to these general societal trends, such as deregulation and ecological modernization, the whole question can be connected to the governing rationalities and mentalities. For example, it has been argued that in the era of ecological modernization, direct regulation is not always the best way to attain additional environmental benefits, at least in a cost-efficient way. These conditions justify the regulatory reform and also change the underlying mentalities of environmental governing. Using Foucault’s concept, we may speak of changes in ‘governmentality’.

The changes in governmentality as well as the reactions, discourses and ethical judgements about these changes, produce continuous pressures to develop the governing systems and tools. The most obvious question is, how the emerging ‘environmental state’ and its policy actors can govern the complex and dynamic systems of different authorities, governing tools and new public/private relationships. In this context, the environmental state refers to the state institution which receives and also actively assumes more and more environmental duties and develops various administrative systems and new governing instruments for this purpose. To study this is to ask, in what direction the governing mentality of environmental policy is developing; what factors and forces influence this development; and what the effects of new policy initiatives in society are. From the governmentality perspective, regulatory reform is not only an issue that concerns new administrative ‘tools’ to be used in an instrumental fashion, but a question of new kinds of policy styles, rationalities, procedures and mentalities of policy-making.

The term ‘governmentality’ (‘gouvernementalite’) is a neologism Foucault presented and explored at the end of the 1970s (Foucault 1991 and 1984). There are two important aspects to governmentality in Foucault’s writings (see also Darier 1996). First, this concept is based on the European historical context. Secondly, it implies a novel definition of power that has profound implications for our understanding of contemporary political power and, in particular, public policy. Governmentality implied the establishment of complex social techniques and institutions to intensify the mechanism of control over the population in the name of what became known as the ‘reason of state’.
When analysing the concept of governmentality, it should be noted that Foucault was mainly interested in long-term historical trends. He wrote about what he terms “a history of governmentality” (Foucault 1991). For Foucault, governmentality describes a new form of deployment of political power that emerged in Europe in the sixteenth century and established a new world order based on states. In the context of an international system based on state interests and competition between states, it became imperative for each state to create conditions for ensuring its security and ultimately its survival. Among other things, this implied a greater control over its population for obvious military purposes, and an interventionist attitude to promote the economic well-being of the country to finance the state’s efforts in guaranteeing its security (Foucault 1991; Darier 1996). It also led to the state’s increasing concern with the biological well-being of the population, including disease control and prevention, adequate food and water supply, sanitary dwellings, education and so on. The new pastoral techniques meant that the ‘shepherd’ (the church and now the state) ‘took care’ of the well-being of the population, while guiding them by instilling in each individual the techniques of self-control. In Foucault’s writings, the emancipatory project of the Enlightenment is exemplified by such theories as the ‘sovereignty’ of the people, which legitimised power only by referring to the willingness of its subjects to obey.

The term governmentality sought to draw attention to a certain way of thinking and acting embodied in all such attempts to know and govern the wealth, health and happiness of the population (Rose & Miller 1992, 174-5). Foucault argued that, since the eighteenth century, this way of reflecting upon power and seeking to render it operable had achieved pre-eminence over other forms of political power. It was linked to the proliferation of a whole range of apparatuses pertaining to government and a complex body of knowledges about government, the means of its exercise and the nature of those over whom it was to be exercised. For Foucault, governmentality is a fundamental feature of the modern state.

Most significantly, Foucault sees state authorities and policies as mobilising governmentality which tries to incorporate the economy and the population into the political practices of the state in order to be able to govern effectively in a rational and conscious manner (Foucault 1991; Luke 1995). Governmentality, then, applies techniques of instrumental rationality to the arts of everyday management exercised over the economy, the society and, in the context of this study, also the environment.

In order to study Canadian environmental politics, Darier (1996) has crystallised Foucault’s idea of governmentality into a three-dimensional framework, where the central components are institutional centralisation, normalisation and the intensification of the effects of power and power/knowledge. These categories also represent the main power effects which modern state policies can have on private and societal lives.²

1. The centralization of power around the government (army, education, governmental ministries, justice etc.). Here, we ask whether the centralization of institutions, procedures, strategies and policy activities around the state is increasing or decreasing. This component is what policy studies usually examine. Foucault’s strong argument is that the long-term historical trend is characterized by governmental centralization that has as its target the population and the technical means of security.
2. The intensification of the effects of power at the levels of the entire population, the economy and the individual. Traditional policy studies rest on the core assumption that there is a central locus of power that can be the state, a social class or an elite. This view rests on an assumption of a ‘top-down’ model of political power in which the exercise of power is mainly repressive. Policy

²There exist also other interpretations of the governmentality concept which are not presented here (see Rose and Miller 1992).
decisions are made at the ‘top’ and the population (the ‘bottom’) merely obeys or disobeys orders. For Foucault, ‘power produces’: it produces reality, it produces domains of objects and rituals of truth (Foucault 1991). This ‘positive’ or ‘productive’ side of modern power means that control, and self-control, of the population is considered achievable by the standardization of individual and collective conduct through the normalization of individual and collective subjectivity. The normalization of subjectivity gives individuals and groups an identity which in turn enables them to act in congruence with or to resist the objectives of the normalization process. In this sense, it can be claimed that ‘modern society has no control center’ (Beck 1992) and that power can be conceptualized as a ‘field of power’ as was already stated earlier.

3. The emergence of new forms of (scientific) knowledge useful for the implementation of centralization and/or intensification of power (power/knowledge). For Foucault – and for an increasing number of historians, philosophers and sociologists – knowledge can no longer be perceived as the objective and politically detached study of the reality of truth. On the contrary, the objects of scientific knowledge are intimately intertwined with existing power relations. This is what Foucault calls ‘power/knowledge’ – (‘pouvoir/savoir’) a single word – to epitomize the inescapable links between ‘power’ and ‘knowledge’. Although there are some differences, a similar concern with the power effects of knowledge claims is an important feature of the sociology of reflexivity formulated by Beck, Giddens and Lash (1994). In the theory of reflexive modernization, conflicting ‘expert systems’ and new problems concerning trust and security are seen to open up new political spaces and fields of power struggle. The notions of knowledge/power and expert systems generate a research interests where the object of study is the ways in which knowledge is used socially and politically rather than the question of whether knowledge is true or false.

The concept of governmentality offers a different perspective on political phenomena conventionally addressed in terms of the state and state intervention or regulation. But, it is also clear that governmentality is a concept that is very difficult to define explicitly. It is more an approach for understanding and interpreting the elements of power in the policy process than a clearly defined analytic concept. According to this logic, the priority is to answer questions about what it means to individuals, populations or organizations to be governed and be under governance, and how the modes of governance influence our lives, cultures, actor relations, etc. (Helen 1995).

A theoretical framework for analyzing regulatory reform

In policy science literature the choice and formation of policy instruments has been modeled by several authors. Linder and Peters (1989) have developed a model that integrates many of the various conceptions of instrument choice put forward in both economics and political science literatures. They list the following five factors as playing a critical role in shaping instrument choice (Table 1).

First, the features of policy instruments are important for selection purposes, because some instruments are more suited for a task at hand than others. Second, they argue that a nation’s policy style and political culture, and the depth of its social cleavages, have a critical bearing on the choice of an instrument. Each nation has a peculiar national style, culture, and pattern of social conflicts, which predispose its decision-makers to choose a particular instrument. Third, they argue that the choice of an instrument is circumscribed by the organizational culture of the agencies concerned and by the nature of their links with clients and other agencies. Fourth, they argue that the context of the problem situation will also affect the choice of instruments.

For Linder and Peters, however, instrument choice is ultimately a matter of the decision-makers’ subjective preferences, which is based on their professional background, institutional affiliation, and
cognitive make-up. They define the situational context constraining choice and implant their professional and personal preferences on instrument choice.

In Linder and Peters’ model, there is a complex rationale for instrument choice emphasizing the characteristics of different instruments and the situational context in which the choice is made. However, the model has some major shortcoming. The main shortcoming lies in inadequate conceptualization of how the actor’s preferences and mentalities are formed and realized. In addition, the institutional backgrounds need some further elaboration, so that the dynamics between different dimensions becomes clearer.

**Table 1. Model of Policy Instrument Choice (Linder and Peters 1989)**

1) The features of policy instruments
   - Resource intensiveness (including administrative costs and operational simplicity).
   - Targeting (including precision and selectivity).
   - Political risk (including nature of support and opposition, public visibility and chances of failure).
   - Constraints on state activity (including difficulties with coerciveness and ideological principles limiting government activity).
2) The political culture and the nation’s policy style
   - Predispose decision-makers to choose a particular instrument.
3) The organizational culture
   - The organizational culture of the concerned agencies and the nature of their links with clients and other agencies.
4) The context of the problem situation
   - Its timing and the scope of actors.
5) The decision-makers’ subjective preferences
   - These are based on their professional background, institutional affiliation and cognitive makeup.

By combining the main features of Linder and Peters’ model and the concept of governmentality, we can present the following theoretical framework for analyzing regulatory reform (see Figure 1 for a schematic overview). The model does not provide a strict explanatory framework for the analysis of regulatory reform, because, although some causalities are obvious, I do not believe that any strong causal relationships between different influencing factors exist. Thus, the framework has the same heuristic intention as the approach of Linder and Peters.

Foucault’s concept of governmentality brings up important approaches, which are not involved in Linder and Peters’ model. It seems that, as a concept of policy analysis, governmentality refers to two different approaches: (1) the ‘fixed’ and structured approach of governance, and (2) the ‘power effects’ of policy activities and processes. The former refers to the mentality of governing in which the interpretation, general approach and the institutional framework to policy problems (here, policy instrument choice) are more or less fixed. This ‘fixed’ approach can contain institutional, politico-cultural and knowledge/power aspects of the policy process. The governing actors always have a particular mentality for main policy issues such as welfare, foreign relations or quality of the environment (Rose & Miller 1992, 189). The latter perspective concerns the power effects of policy choices for e.g. normalization and intensification processes and changes of the institutional actor-
structure. These governmentality effects refer to the dynamics through which policy choices produce new routines in the societal life.

The theoretical framework introduces the concept of ‘environmental governmentality’ that refers to the general mentalities and power structures of environmental governance (see Darier 1996; Luke 1995). Here, Darier’s three-dimensional typology of Foucault’s governmentality provides a useful starting point. But it needs some reformulation. The centralization of power around the government is a macro-political trend, which can be analyzed in different ways during different time-periods. For example, the deregulative trend is a clear ‘anti-trend’ towards the centralization. After the crisis of welfare state institutions and the global trend of neoliberalism as a political rationality, the centralization thesis could be interpreted in a rather different manner (Collier 1998; Barry, Osborne and Rose 1996). Nevertheless, in this study the main need for reformulation is to make the dimension more analytic and less normative. Thus, the dimension can be named ‘institutional actor-structure’.

In addition, Foucault’s typology proves problematic when it comes to presenting the cultural perspective of the policy process. As a concept, governmentality is in some way close to policy culture, yet it is something different and more complex. Where policy culture provides an understanding of the cultural factors and actor relationships affecting the national policy process, the concept of governmentality tells a wider story about the whole mentality of governing, both about its content and structure. ‘Centralisation’, ‘power/knowledge’ and ‘normalisation/intensification’ are all explicitly connected to the different forms of power and, of course, to the ‘productive’ aspects of it. The cultural dimension of politics can be seen as an implicit content of Foucault’s concept. But the main focus of Foucault’s analysis is in the results of the policy process, not so much in its features. When applied to the analysis of policy processes, the cultural perspective should be explicit. This can be done by combining the concepts of ‘political and administrative cultures’ to the typology of governmentality.

Figure 1. The Framework for Analysing Regulatory Reform.
The starting point for environmental governing and for the adoption of new policy instruments is the need for governing. This need is based on ‘problem pressure’, meaning perceived or predicted environmental problems, or on problems in the existing systems of governance. But a problem is only a problem in terms of governing when it has been articulated as such. In this respect, governing needs are the results of the social and political processes of agenda-setting and problem definition. Of course, public opinion and interest groups can affect the ‘problem pressure’.

New environmental policy instruments have their own characteristics, which concern the level of public-private interaction, the level of voluntariness, resource intensiveness, targeting and political risk. They intended to reduce the regulatory burden on firms; to provide positive incentives instead of negative ones (win-win option); to harness the market power of green consumerism; and to provide efficiency by using market-mechanisms and target-specific governing (Golub 1998, 6-8). Because little (domestic) information and experiences on how these new instruments really work in practice exist, decision-makers have to rely on beliefs, experts and foreign experiences (if there are any). New policy instruments are often promises of new problem-solving models and practices. Of the policy actors, some strongly believe in these promises while others are afraid of changes.

The features of the policy process in which the new policy instruments are chosen, designed and formulated, affect the final content of the instrument. In addition, situational factors (such as governmental coalition, the subjective preferences of policy actors, Parliament elections or unexpected political or economic crises) often have an influence both on the policy process and on the outcome.

The Societal Context of the Problem Situation

Existing environmental policy strategies and the general development of governing modes form an ideological background and motivation base for the adoption or prohibition of new environmental policy instruments. General societal conditions, events and policy developments provide possibilities or restraints for regulatory reform. Such background factors can be membership in the EU, deregulative trends in politics, the need for European harmonisation, general environmental values, changes in the economic trend etc. In addition, international trends and discourses play an important role in national developments. In the European context, the EU policy trends and strategies have a special influence, of course.

Environmental Governmentality

The features (and changes) of institutional actor structure define the level of (de)centralisation of environmental policy preparations and decision-making. This dimension concerns especially administrative structures, responsibilities and institutional relationships behind the regulatory reform. Political and administrative cultures and the national environmental policy style predispose decision-makers to choose a particular instrument. The administrative culture refers to the inner organisational and professional culture of the relevant public authorities and ministries and the nature of their links with clients and other agencies. This also involves the relationships with different fields of expertise. The knowledge-base of policy development and its connections to power relations. The role of scientific research and expertise in providing the conceptual framework employed in the contemporary definition
of environmental problems and the content of policy making. Finally, environmental normalisation and intensification processes have two sides. On the one hand, we can ask how environmental governing and its changes create new environmentally-oriented routines both on the level of individuals and of organisations; how intensification and normalisation processes are implemented; and which governing tools and policy styles are most convenient for these purposes? On the other hand, we can ask how the new policy instrument fits into the existing governing systems and to what extent does it change the policy styles? In the context of regulatory reform, we can ask how ‘normal’ the new policy instrument is likely to become in the national governing system.

The case of environmental regulatory reform in Finland

In this section three Finnish cases illustrate how the concept of environmental governmentality could be applied when analysing the regulatory reform in national policy context. The central point of attention is what kind of features the environmental governmentality has in Finland during the emerging regulatory reform. The analysis includes the following three case studies (Sairinen 2000):

1) The drafting of the EIA Act in 1982-1994. The Finnish EIA Act was enacted in 1994 as one of the latest countries in Europe. The drafting process was prolonged and very contradictory.

2) The formation of the CO₂-tax policy in 1989-1996. In 1990, Finland was the first country in the world to introduce the carbon dioxide tax on fossil fuels. During the second policy phase (1991-94), the carbon tax level was raised significantly and it also faced a structural change. During the third phase (1994-96), the structure of the energy taxation was altered by decreasing the role of carbon taxes, but simultaneously the level of energy taxation was again increased.

3) The usage of the voluntary agreements (1987-1999). VAs have been carried out in relation to four policy objectives: reducing the use of CFCs (1987-88), reducing the amounts of packaging wastes (1995), promoting energy conservation (1992 & 1997) and remediation of contaminated soil (Soili-agreement in 1996). All together 17 agreements have been made.

In the Finnish context, these instruments represent the aspirations towards regulatory reform and the developments of ‘preventive environmental policy’ and ‘ecological modernisation’. In Finland, the development of the EIA Act and the CO₂-taxation have been among the most important environmental policy questions in the early 1990s. The voluntary agreements have instead been quite marginal phenomenon, unlike in some other EU-countries. Because the cases represent different governing modes, they provide many-sided perspectives to the question of regulatory reform.

The characteristics of the institutional actor structure

In order to study institutional actor structures and the relationships between them, we need to analyse environmental policy actors, institutional settings and policy networks (or coalitions). Such an analysis describes the level of centralisation (or decentralisation) of decision-making and the role of environmental actors in politics. The type of networks which develop often depend on the groups involved, the interests of the various actors within the government, the nature of the policy, and the
institutional arrangements that are available. The relationships between different actors depend also on the governing ideology: deregulative policies reduce the concentration of power in the hands of state authorities, and simultaneously increase the co-operation between public and private actors.

The general tendency to develop sustainability programmes, policies and tools has changed the relationships between policy sectors, and also administrative responsibilities. Although the environmental ministries have frequently had legitimacy to be active in several policy sectors, political practice is nevertheless full of disagreements about how environmental policy integration (and the new responsibilities) should be organised. Thus, because environmental policy integration is a growing tendency, it is important to analyse the changing role of environmental authorities and the power relations between different ministries. There are several ways of reorganising administrative relations: shared responsibilities between different administrative sectors; centralisation of decision-making and of the preparation of environmental administration; decentralisation of power to local and regional actors; and adding the environmental approach to the traditional sectoral power structure.

One basic feature of the new policy instruments is their tendency to decentralise environmental governing. As policy measures, they emphasise the ideas of shared responsibility, participation of stakeholders, subsidiarity and the market mechanism. These principles all have the effect of distributing influence and power from the state institutions to other policy actors.

In Finland, the role of the Ministry of the Environment in promoting regulatory reform has varied depending on the policy instrument in question. On the one hand it seems that the Ministry for the Environment (or part of it) was initially sceptical or critical towards the new instruments in question, but has gradually adopted a more supportive attitude. In the field of co-regulation, the sceptical attitude continued over a longer period. On the other hand, regulatory reform has clearly distributed environmental governing power to other ministries. For example, the formal preparatory mandate of environmental taxation belongs to the Ministry of Finance and voluntary agreements can be developed under different ministries.

All four agreements where the Ministry for the Environment was a signatory have mainly been based on ad hoc practices rather than on planned strategic decisions. The Ministry for the Environment has at all times been quite cautious about developing VAs. The energy conservation agreements were an exception in this respect: they acquired a significant role in the national energy programmes and the responsible official, the Ministry of Trade and Industry, was clearly in favour of the deregulative measures.

In the case of carbon taxation, the Ministry for the Environment was initially a significant policy actor and mediator. The adoption of shared-responsibility and consensual-problem-solving styles, where all the stakeholders participated in the policy process, moved the preparations forward. When criticism towards increasing energy taxes was growing, the Ministry for the Environment lost its role. As a result of several factors, a policy model evolved where the responsibility for the preparation of energy taxes was centralised to the Ministry of Finance backed by the Ministry of Trade and Industry. More than once, the Ministry for the Environment unsuccessfully tried to be admitted to the administrative working groups. The case indicates that the relationship between the three ministries seems to be vulnerable to conflict, because of their very different mentality in environmental tax policy.

Political and administrative culture

Political culture refers to the manners and styles of action in the policy process, especially in conflict situations. Each country has its own political culture, which affects public governing and the choice of policy instruments. The traditional distinction between policy cultures is based on corporatism and
pluralism (Crepaz 1995; Mol, Lauber and Liefferink 2000). It is argued quite often that environmental performance has been less successful in pluralist countries such as the UK and USA than in the (small) corporatist states of Europe (Scruggs 1998; Jänicke 1997). Some writers have challenged the corporatist argument, however. For instance, Hukkinen (1995) has concluded that the corporatist system runs the risk of having policies that are too narrow-minded and short-sighted.

The question whether corporatism promotes or retards pollution is thus, as yet, undecided. What we can argue here, however, is that there is a need for a broader and more fine-grained analytical tool for investigating the impact of policy culture on environmental policy-making (Mol, Lauber and Liefferink 2000). Thus, it is reasonable to employ other dimensions of policy style (Van Waarden 1995). In the context of regulatory reform, the typologies of consensual/adversarial, legalistic/pragmatic and formal/informal policy styles seem to be relevant. It is evident that various features of policy styles are always closely connected to features of the institutional actor-structure. For example, administrative culture (such as legalism) is clearly linked to the administrative set-up.

Regulatory reform in Finland has been clearly influenced (restricted) by the national environmental policy cultures. Consequently, it has been quite difficult to alter the balance of the traditional regulatory system. The traditional Finnish environmental policy style can be divided into two different kind of styles. On the one side, from the late 1970s, the (air and water) pollution policies have been based on a consensual policy style between different actors, ranging from industry to environmental NGOs. In these policy fields, the public governing mode has been based on legal state regulation, albeit in the form of negotiative problems-solving. At first, the content of emission control activities and regulations were negotiated between different actors, and thereafter the Government or permit authorities made their decision on the basis of those regulations. This policy style has also been called ‘negotiated rule-making’ in contrast to ‘command-and-control regulation’ (Mol, Lauber and Liefferink 2000). Structural changes favourable to emission reduction and pollution-control investments that fit the timetables of major process retrofits constituted an effort to avoid additional costs. National ‘neocorporatism’ in the context of the Nordic welfare states is an obvious example of the development of a consensual style.

On the other side, nature conservation has been based on adversarial policy style. The cultural importance of landownership and the strong role of the rural political parties and interest groups has given rise to much conflict over nature-conservation issues at the national policy level. Furthermore, environmental governing measures that concern landownership have recurrently been difficult to agree upon at the governmental level. Nearly all the various conservation programmes have a history of conflict. In these policy fields, policy actors have been divided into sharply confronting policy networks.

The environmental results of the Finnish consensual policy style have been quite effective in the areas of both air and water pollution. It can be argued that this success within the regulatory system to some extent prevented the more active development of new instruments. In Finland, the application of VAs has been slow in comparison to other small European neo-corporatist countries such as Denmark and the Netherlands. The consensual policy style has provided possibilities for informal actor relations inside the regulatory system, to the extent that industry has not been very interested in the voluntary approaches.

Similarly, the environmental administration was at first so satisfied with the systems of legal regulation that the concepts of EIA and environmental taxation had to wait some time before they were more readily accepted. Thus, it can be argued that administrative legalism has in some cases delayed the use of new policy instruments. Many influential officials in the ME were committed to the legalistic culture, and initially showed no interest in developing new measures. The new instruments all differ markedly from the classic model of regulation. It has been claimed that in this kind of regulatory
reform, the Government refrains from using any instruments of formal power, i.e. from enacting legal norms. Instead, the authorities enter into questionable negotiations with the polluters or trust to the steering power of market prices. The Finnish environmental administrators were not familiar with these types of new governing mentalities.

The knowledge base of policy development and its relationships to power relations

Scientific expertise has been fundamental in defining environmental problems and policy solutions (Rutherford 1999). It is therefore necessary to consider the role of scientific research (especially of scientific ecology) and expertise in the formation of the conceptual framework employed in the contemporary definition of environmental problems. The basic assumption here is that the scientific knowledge-base and its main features have been important factors in the preparation of environmental policies and also in regulatory reforms. Thus, environmental scientists are in many ways participants in the policy processes. They often promote, consciously or by default, their own role through social and/or political processes.

The question of power/knowledge concerns not just the role of science and experts, but also the role of professions in environmental policy-making. A person’s professional background has often a direct influence on the contents of policy. Jurists are in favour of legal regulation, economists prefer economic instruments, and planners want to develop impact assessment procedures (see also Glasbergen 1998). Thus the professional structure of environmental administration has an influence on which governing modes the administration is in favour of. As environmental policy develops, the content of environmental professions becomes wider and dispersed among different expert fields. Thus, a continuous professionalisation and specialisation process takes place. The new environmental professions create new institutional cultures and pressures for regulatory changes (Järvelä 1998).

The regulatory reform calls for new kinds of expert systems and knowledge base both among the polluters and the administrators. This has also been the case in Finland, but the attitude towards new needs in expertise has proven to be very different in the three cases examined. The content and usage of new expertise had a great influence on the Finnish EIA policy. Based on EIA activities, an epistemic community was created which, in turn, directly affected the policy process. At the end of the 1980s, several experimental projects were launched and training was organised. In just a few years, the environmental administration was educated to adopt the new “EIA-way-of-thinking”. The Finnish EIA case shows that in order to gain social acceptance, especially among the relevant professionals, the new policy instruments also need experimental studies and information structures that create possibilities for a new way of thinking. Only after this kind of policy learning has taken place does the integration of the instrument into an existing system become possible.

In the case of carbon taxation, some problems in the knowledge base of the ME’s personnel was revealed. In the past, the ME has not taken part in tax preparation and has neither strong nor extensive expertise in energy policy issues. The lack of expertise was mainly the result of the organisation’s historical development. Environmental economy and energy policy are subjects that are only now being constructed as an environmental policy issue.

In Finland, VAs were implemented as ad hoc practices without much knowledge about the principles of voluntary approaches. After the first experiences, there was an increasing need for deeper understanding, but the ad hoc policy processes have not provided good opportunities for that. Another knowledge (information) problem was the question of developing effective monitoring systems. The public legitimacy of VAs is strongly dependent on the effectiveness of the instruments, the kinds of expert institutions that support the instruments, and how the benefits can be monitored reliably.
In studying environmental intensification and normalisation, we must ask whether there are ongoing processes in the society in which we can find the ‘positive’ or ‘productive’ sides of modern power. In the case of environmental policy, we can argue that the strategies of sustainable development strive for the environmental mobilisation of the population. This means that the power effects of these policies are an attempt at normalising the population, as well as companies and public organisations, into disciplined environmental subjects. Thus, on the level of policy instruments, this dimension concerns the questions of how environmental governing and its changes create new environmentally-oriented routines, both on the individual and the organisational level; how the intensification and normalisation processes are implemented; and which governing tools and policy styles are the most suitable for these purposes.

All the new policy instruments are based on the idea of integrating environmental awareness into the normal activities of consumption, production, planning or politics. Thus, regulatory reform as a policy project aims at environmental policy integration, which in turn is expected to generate environmental normalisation and intensification processes. For example, the EIA contains the aim to develop a systematic and broad routine for assessing the impacts of different kinds of building, planning and policy projects. In Finland, the EIA law has been very successful with regard to this aim by introducing a comprehensive assessment procedure that also includes aspirations towards both social and strategic impact assessment, and wide participatory practices. On the other hand, in VAs, the polluters are willing to develop voluntarily environmental protection measures in certain areas of their activities. In all the Finnish VA cases, the clearest environmental benefit has been to promote the broader adoption of an environmental management culture within companies. The Finnish case of carbon tax illustrates how environmental taxation gradually became normalised for the state administration. Economic control was first established through committees. In this way, different ministries were expected to commit themselves to the issue. From 1994 to 1996, the carbon tax was disputed and reformulated, but the basic idea was accepted.

Conclusions

In this article, the regulatory reform has been analysed using the concept of ‘environmental governmentality’. The developed theoretical framework was illustrated by the cases from Finland. It seems that the concept of governmentality provides a useful framework for understanding both the appeal of the environmental regulatory reform and the conditions under which it might occur. It is clear that the current regulatory reform in environmental policy is not just a technical change in policy tools, but implies and requires several types of societal changes.

The development of environmental policy strategies from the 1960s can be seen as a transition to a comprehensive policy plan that includes wider and deeper public policy intervention in personal and corporate lives. Modern environmental policies tend toward preventive approaches, sustainable development and ecological modernisation. Governments are using a variety of policy measures in order to intervene and change the behaviour of citizens, markets, companies and other organisations. According to Foucauldian concepts, an environmental normalisation process is in progress. In this respect, the ‘environmental state’ is similar to the welfare state of earlier years. Particularly in the era of environmental modernisation, the strengthening of environmental governmentality provides interesting and important perspectives for the further analysis at both the theoretical and the empirical level.
The challenge of the emerging ‘environmental state’ is to find better ways to make the population, companies and various administrations adopt new forms of environment-conscious conduct. In governmental policies, environmental intensification and normalisation also need new qualities at the environmental administration level. The environmental ministry cannot just dictate the contents of sustainable development to other policy sectors. In addition, although it seems that the institutional structure of environmental policy making has initially developed toward centralisation and the top-down governing style, recent approaches connected to ecological modernisation emphasise decentralisation. This means Europeanisation, on the one hand, and local and actor-based activities on the other. Simultaneously, policy cultures have been changing from contradictory to increasingly consensual styles. This has opened up new possibilities for self- and co-regulation.

References


