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### ORGANIZATIONAL FRAME OF ENVIRONMENTAL POLICY CONVERGENCE OF UKRAINE WITH EU

*The aim of the article is to elaborate organizational frame of environmental policy convergence of Ukraine with EU. The emphasis was placed on one of the goals of Ukraine-European Union Association Agreement, in particular: "to establish conditions for strengthening of economic and trade relations, which will lead to the gradual integration Ukraine in the EU internal market". It has been revealed that the primary constraints that hinder deepening trade relationships between Ukraine and the EU are factors, which relate by their nature to structural and technological aspects of Ukrainian economy.*

Keywords: environmental policy convergence, harmonization, imposition, diffusion, transnational communication, regulatory competition, organizational frame.

**Statement of a problem.** Today's realities evidence that without transformation process directed to mitigation of the consequences of late industrialization, using low-tech industries, the achievement of stable positions in international market in such unstable economical and financial situation in Ukraine is questionable. In this context policy convergence of Ukraine and EU plays a great role because EU is considered to be a source of investments and investment import in Ukraine and opens perspectives for setting up trade relations between Ukraine and EU members. Environmental policy convergence can be considered to be an effective mechanism of policy integration, a way of solving national environmental problems and eliminating causes of the appearance, driving force of increasing international competitiveness of a country. Thus, there is a need in investigating mechanisms and factors of environmental policy convergence, actual environmental concerns for constructing of an effective organizational frame of environmental policy convergence of Ukraine with EU.

**Analysis of recent research and publications.** The important features of social and economic systems convergence have been uncovered under conditions of globalization and European integration, as well as the further transformation of Central- and East European countries in the works of D. Lukianenko, V. Chuzhykov, W.M. Gabriel [1]. An experience of developed countries in the sphere of convergence of national environmental policies has been investigated by K. Holzinger, C. Knill, T. Sommerer [2]. Domestic factors of environmental policy convergence have been researched by A. Lenschow, D. Liefferink, J. Albrecht, S. Veenman [3]. To the models of environmental convergence in Europe the study of A. Jordan, R.K.W. Wurzel, A. Zito [4] were devoted. But there is a few literature committed to the process of environmental policy convergence of Ukraine with EU that was considered in the area of possible ways of deepening Ukraine-EU trade relations.

**The aim of the article** is to elaborate organizational frame of environmental policy convergence of Ukraine with EU.

**The main results.** On March 21, 2014 a political bloc of the Ukraine-European Union Association Agreement was signed, that part of the document, which deals with political

cooperation, security and the fight against terrorism. On June 27, 2014 the economic part of the Agreement was signed. Thus, these events are first steps to promoting productive dialogue between Ukraine and EU. The effectiveness of further collaboration between Ukraine and EU will depend on the quality of transformations in Ukrainian economy.

One of the goals of the Agreement is “to establish conditions for strengthening of economic and trade relations which will lead to the gradual integration of Ukraine in the EU internal market” [5].

According to experts, the primary constraints that hinder deepening trade relationships between Ukraine and the EU are factors, which relate by their nature to structural and technological aspects of Ukrainian economy, such as:

- the slowness of necessary structural transformations and growth of innovation and technology competitiveness of domestic producers and the country in whole;
- the discrepancy of the Ukrainian products to the European standards;
- disadvantages of strategic management of the enterprises [6].

Foreign studies have shown that stringent, but properly constructed environmental policy can trigger innovation process in a country that will lead to rising effectiveness in producing goods [7; 8; 9]. So, in the case if Ukraine elaborates properly the environmental policy and can solve the problems that prevent the development of trade relations between Ukraine and EU. But it should be noted that in the light of last political tendencies in Ukraine the quality of environmental policy will depend on the quality of the process of environmental policy convergence.

Policy convergence can be defined as “any increase in the similarity between one or more characteristics of a certain policy (e.g., policy objectives, policy instruments, policy settings) across a given set of political jurisdictions (supranational institutions, states, regions, local authorities) over a given period of time” [10]. Policy convergence describes the final result of the process of policy change over time towards some common point, regardless of the causal processes.

The construction of an organizational mechanism of environmental policy convergence of Ukraine and EU and the mechanisms through which it can be achieved should be considered.

International experience indicates three main ways or mechanisms of policy convergence: harmonization, imposition and diffusion. These mechanisms are distinguished with regard to their essence, peculiarities, mode of operation, the principal motivations of policy-makers to adopt policies and the leeway they grant to national policy makers to influence the content and independently decide on the adoption of a policy. The characteristic of mentioned mechanisms is represented in Table 1.

Table 1 – Mechanisms of environmental policy convergence, (developed by [11; 12])

Mechanism	Diffusion	Harmonization	Imposition
1	2	3	4
Essence	Process with the help of which policy innovations are communicated in the international system and adopted voluntarily by an increasing number of countries over time	Multilateral and state-centred process, international negotiations among sovereign states and subsequent policy formulation preceding the domestic implementation and compliance	Intentional coercion by external actors to adopt policy innovations by other nations, which they would not have adopted otherwise
Mode of operation	- persuasion, emulation and learning; - decentralized decision-making	- negotiation, enforcement and monitoring; - centralized and joint decision-making	- coercion, political or economic condition; - decentralized decision-making

Table 1 (continued)

1	2	3	4
Peculiarities	- basically a horizontal process whereby individually adopted policies and programmes add up to a decentralized regulatory structure; - occurs in the absence of formal or contractual obligation	- is characterized by highly institutionalized and centralized topdown decision-making procedures prior to and after the states consent on the international harmonization of their policies; - involves the conscious and negotiated modification of domestic policies through international agreements or supranational regulations	Mechanisms of imposition range from forceful coercion to economic and political conditionality
Principal motivations of national policymakers	- search for effective solutions for domestic problems; - gain internal and external legitimacy	- manage effectively transboundary challenges and at the same time dissatisfaction with solutions to transboundary challenges provided for by unilateral action; - avoid negative externalities (e.g., trade distortions); - realize positive gains (e.g., access to new markets)	- export fundamental values and principles as well as policies perceived to be successful; - access to economic and political resources (e.g., join to international decision-making bodies or financial support); - avoid of negative consequences (e.g., sanctions)
Level of influence on decision to adopt or reject innovation	low	high	

It should be also noted that there are some factors that influence significantly on cross-national environmental policy convergence. One of them is transnational communication. Some researches view it as a separate mechanism of environmental policy convergence (Table 2).

Table 2 – Submechanisms of transnational communication [10, p. 265-295]

Mechanism	Essence	Stimulus	Response
Lesson drawing	Solving similar domestic problems	Parallel problem pressure	Transfer of model found elsewhere
Transnational problem-solving	Developing of solutions to a shared international problem and then apply them at the national level (without any legal obligation to do so, however)	Transboundary problem pressure or parallel problem perceptions	Adoption of recommended model
Emulation	Copying a policy used else-where, driven by a desire for conformity, for instance in the face of uncertainty, in order to raise legitimacy vis- a-vis domestic actors, or for efficiency reasons	Desire of conformity	Copying of widely used model
International policy promotion	International institutions or individual countries which promote a certain policy approach, the main driving force being legitimacy pressure at the international level	Legitimacy pressure	Adoption of commonly developed model

Another factor that influences on environmental policy convergence is regulatory competition.

The core of theories concerning regulatory competition as it mostly is focused on trade relations lies in the fact that economic agents imposed to international competition are interested in lowering of their costs or in a “level playing field”. Thus, as a consequence those who highly engaged in international process will be more influenced by the convergence trends than other ones.

So, considered mechanisms and factors are the most driving forces of environmental policy convergence. Taking into account that policy convergence can contribute to the elimination of key causes of national environmental problems, there might be outlined to what mechanism/factor more attention should be paid. So, we have identified the main causes of environmental problems to single out a mechanism/factor of environmental policy convergence that can eliminate them (Table 3).

**Table 3 – Environmental policy convergence mechanisms addressing to elimination key causes of environmental problems in Ukraine, (constructed by [13])**

Mechanism Problem	Diffusion	Harmonization	Imposition	Transnational communication	Regulatory competition
Out-of-date pollution production technologies and insufficient pollution control equipment					
1)	*	*	*		*
too complex and ineffective regulatory system used to control air emissions, including emissions norms and economic mechanisms					
2)	*	*	*	*	
absence of effective legislative and regulatory mechanisms to manage activities with high environmental risks					
3)	*	*		*	
low environmental awareness of the public					
4)		*	*		
absence of operational economic mechanisms for encouraging of more responsible environmental management					
5)	*	*		*	
absence of continuous monitoring of the environment					
6)	*	*			
insufficient funding of environmental activities					
7)		*			
absence of effective waste management system					
8)	*	*	*	*	*
poor investment climate in the country					
9)		*		*	*

Thus, from the Table 3 we can see that such mechanisms of environmental policy convergence as diffusion and harmonization can manage the most effectively with principal environmental problems in Ukraine.

The effectiveness of harmonization process can be tracked through the progress in implementing of the priorities agenda EU-Ukraine Association. The data of 2013 evidence that Ukraine is gradually moving towards the implementation of the international conventions. Thus, the provisions of the Vienna Convention for the Protection of the Ozone Layer are met by 77%, the provisions of Convention on the Transboundary Air Pollution on large distance – by 71%, the provisions of Convention on the Protection of the Black Sea against Pollution – by 68% [14].

A considerable attention should be paid to the progress in diffusion process, because it greatly contributes to the development and applying innovations. The latter is on the agenda for Ukraine as it can solve both the problems concerning technology and environmental effectiveness.

Statistics shows that the innovation performance in Ukraine is at low level. According to the 2013 Global Innovation Index Ukraine ranked 71 among 142 countries included in the report [15]. Although it is ranked as the third among the top ten lower-middle-income economies. These countries are: Moldova, Armenia, India, Mongolia, Georgia, Vietnam, Guyana, Indonesia and Guatemala. Ukraine significantly worsened its ranking compared to 2012, when it was the 63rd.

It should be also noted that all mentioned above causes of environmental problems in Ukraine can be recognized as consequential problems, because the main fundamental cause of severe environmental conditions despite the threats of further environmental degradation, is the lack of priority status of environmental policy in the state policy system. That is why the existing of legal framework is inefficient, and this in turn causes other problems – difficulties while adapting Ukrainian environmental legislation to EU law.

Another fundamental problem of poor ecological condition in Ukraine could be seen in uneven spatial concentration of production. Indeed, the present conditions of sector entities activities create a significant anthropogenic environmental change, its degradation and destruction due to a combination of large amounts of industrial and agricultural production in some areas and so on.

Also it should be noted that the influence of public on environmental decision-making is absent. Thus, the Law “On regulation of urban development” [16] doesn't realize compliance with the relevant legal procedures by which public participation would be determined in the decision-making on urban development, that in turn eliminates the provisions of the Aarhus Convention “On Access to Information, Public Participation in decision-making and Access to Justice in environmental Matters” [17].

In addition, the Ukrainian economy is characterized by a high proportion of energy-intensive and technology.

Thus, it has been elaborated that the organizational mechanism of environmental policy convergence takes into account the most problematic concerns in the sphere of environmental regulation, and crucial mechanisms of environmental policy convergence (Figure 1).

**Main conclusions.** European integration is undoubtedly can be considered to be a great opportunity for increasing of economic development in Ukraine. Ukraine is fully able to use existing EU opportunities for modernization and increasing its trade effectiveness. Elaborated organizational frame of environmental policy convergence of Ukraine with EU legislation can facilitate the latter if socialization of environmental responsibility is put in the core of the mechanism.

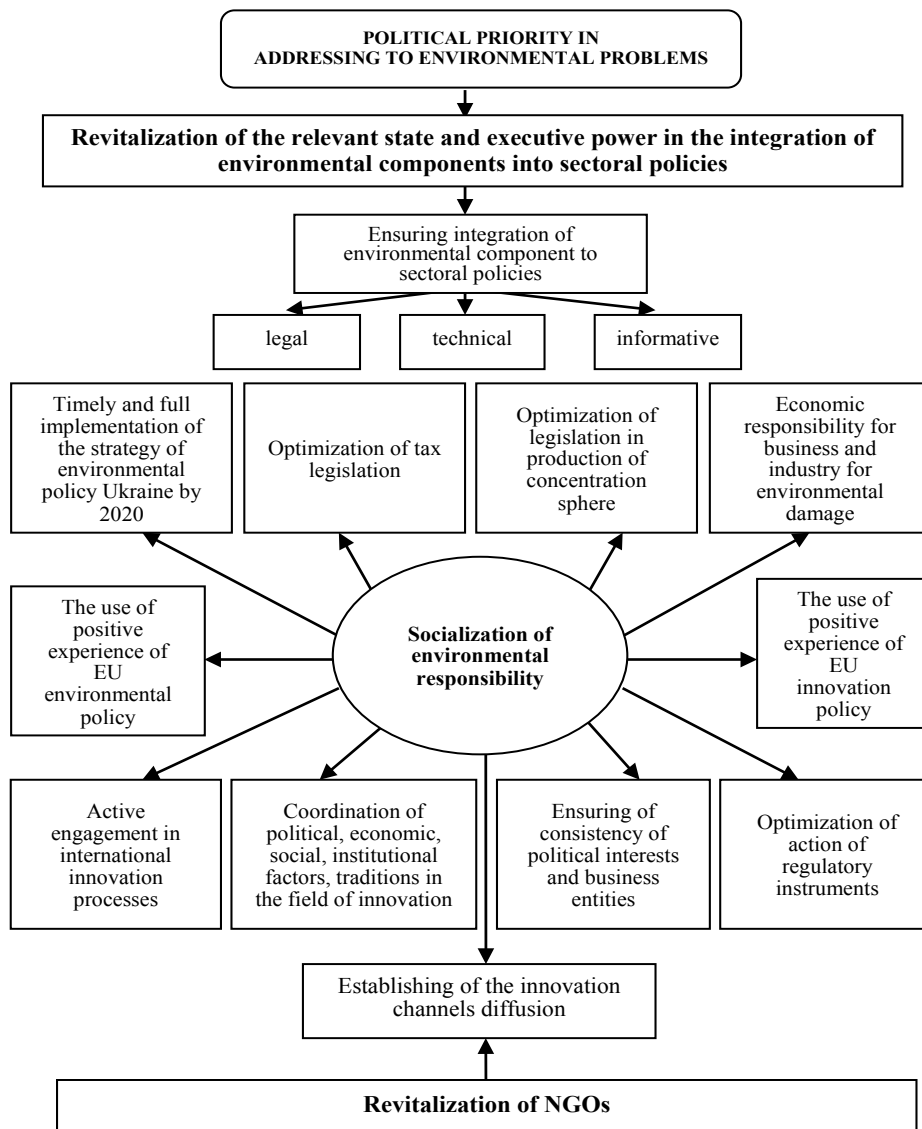


Figure 1 – Organizational frame of environmental policy convergence of Ukraine with EU legislation, (developed by the authors)

The further research will be devoted to investigation of methodology of quantitative measurement of environmental policy convergence results by using methods of economic and mathematical analysis.

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#### **Організаційний фрейм конвергенції екологічної політики України з ЄС**

*Розглянуто основні механізми та фактори конвергенції екологічних політик як способу налагодження економічних та торговельних відносин між Україною та ЄС. Визначені причини, що заважають поглибленню торговельних відносин між Україною та ЄС, а також головні причини екологічних проблем України та виявлено, що механізму гармонізації та дифузії в умовах*



## Розділ 5 Екологічний маркетинг та менеджмент

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української економіки необхідно приділити значну увагу. Побудовано організаційний фрейм конвергенції екологічної політики України та ЄС, в основу якого покладена соціалізація екологічної відповідальності.

Ключові слова: конвергенція екологічних політик, гармонізація, дифузія, транснаціональні комунікації, регулювальна конкуренція, організаційний фрейм.

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### **Организационный фрейм конвергенции экологической политики Украины и ЕС**

*Рассмотрены основные механизмы и факторы конвергенции экологических политик как способ налаживания экономических и торговых отношений между Украиной и ЕС. Определены причины, которые мешают углублению торговых отношений между Украиной и ЕС, а также главные причины экологических проблем Украины и выявлено, что механизму гармонизации и диффузии в условиях украинской экономики необходимо уделить значительное внимание. Построен организационный фрейм конвергенции экологической политики Украины и ЕС, в основу которого положена социализация экологической ответственности.*

Ключевые слова: конвергенция экологических политик, гармонизация, диффузия, транснациональные коммуникации, регулирующая конкуренция, организационный фрейм.

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