

History of European Climate Policies and Carbon Taxation (1979–1997)

Fabienne Jouty

The dissertation project aims to analyze the genesis of European climate policies, with a particular focus on carbon taxation, from 1979 to 1997. During these two decades, a set of measures, regulations, initiatives, and strategies were promoted by the institutions of the European Community (EC), which became the European Union (EU) in 1992. These initiatives intended to reduce greenhouse gas emissions, promote energy efficiency, and encourage the use of renewable energies. They were developed through complex processes involving coordination between European and international institutions, national governments, as well as stakeholders from the private sector and civil society. Thus, based on this observation, this research aims to analyse the genesis of the history of the European “climate regime” [Aykut, 2012] in the late twentieth century. Three key phases seem to frame this story.

Firstly, during the 1980s climate change was integrated into the community political agenda, primarily stemming from scientific research. While the role of the UN in the debate was well studied, the influence of the EC/EU in this field remains unknown and is probably underestimated. However, as soon as 1979 the European Community was involved in the field, for instance promoting the first community research program in climatology in 1979. Moreover, climate change was gradually framed as a political issue. In February 1979 the first climate conference took place in Geneva, resulting in the adoption of a global climate research program. Then, the 1979 “Charney Report,” commissioned by the American Academy of Sciences, concluded that the carbon dioxide emissions would induce non-negligible change of the global climate. This argument was echoed within Europe. What began as a “weak signal” from the European Commission ultimately became a “public problem” in 1989 when the European Council recognized that, according to scientific studies, “the composition of the atmosphere is undergoing significant changes due to human activities.” The diverse paths through which the integration of the “climate problem” into European policy was achieved is therefore an integral part of this project’s analysis.

Secondly, from 1989 to 1995, the European institutions developed a community-wide political strategy to regulate CO₂ emissions and enhance energy efficiency within the EC/EU. This initial strategy supported a proposal for a directive to introduce a mixed tax, allocating 50% to anthropogenic CO₂ emissions and 50% to nonrenewable energy sources. However, in the early 1990s member states were divided on the issue. At the same time several environment ministers and governments defended the carbon and energy tax solution. This research will analyze the influence strategies developed by stakeholders, both institutional and private, to shape European climate policy and either advance or block the proposed European carbon and energy tax. The goal is to demonstrate how emerging European institutions evolved, or attempted to evolve, into becoming a pivotal arena for climate negotiations, and to examine how European companies positioned themselves as influential and determined negotiators in shaping the community’s climate strategy to defend their interests.

Finally, the period spanning from 1995 to 1997 marks the third significant phase shaping this project. In fact, the failure to achieve unanimity within the European Union led to the abandonment of the second proposal presented by the European Commission. Additionally, the 1995 Berlin Conference, also known as COP1, aimed at addressing climate change, saw limited success as it failed to secure agreement on a protocol to reduce CO₂ emissions by 20% by 2005. Consequently, two years later during COP3 (the 1997 Kyoto Conference) the European initiative for a carbon tax was discarded in favor of an emissions trading system. The primary objective is to illuminate the processes underlying the gradual shift away from the carbon tax model towards the carbon market, emphasizing the role played by the EC/EU in climate negotiations. This inquiry will also explore the extent of the influence wielded by the European Union on the global stage and within member states’ climate policies.