

AN ASSESSMENT OF SECTORAL VAS - PRELIMINARY EVIDENCE ON ENVIRONMENTAL IMPROVEMENTS AND REGULATORY AMBIGUITY.

Frans van der Woerd , Nicolien van der Grijp and Renee Peerboom

*IVM-Institute for Environmental Studies, Vrije Universiteit,
AMSTERDAM, The Netherlands*

ABSTRACT

Within the DynEmics program, the IVM project investigates how various governmental policy approaches interact with heterogeneous environmental performance of companies. Based on bottom-up analysis of company-authority interactions, the project wants to formulate lessons for public authorities and companies that will improve the effectiveness and efficiency of their policies.

The IVM project focuses on the instrument of sectoral Voluntary Agreements (in Dutch : IMTs) and Business Environmental Policy Plans (in Dutch : BMPs). Our research approach of *embedded case studies* has been described in the 1999 Greening of Industry Paper 'Changing interactions between heterogeneous companies and environmental authorities – A framework for empirical analysis'.

The paper presents preliminary results from two case studies in the Dutch paper industry and in the Dutch textile finishing industry. Discussions centre around prior formulated propositions, *e.g.*

- *IMTs are not able to bring about changes in corporate business strategies;* Although the targets in IMTs and BMPs are not too ambitious, they lead to small steps forward in corporate environmental performance. Other policy instruments are supposed to have a much more fundamental impact.
- *IMTs homogenize efforts of companies working in a specific sector of industry;* In an IMT period, typically four years, environmental performance between companies converges. Reasons for convergence are that laggards are upgrading their level of compliance, while leaders try to improve on their blind spots.
- *IMTs limit mismatch between authorities' demands and business' planning;* Both government and business representatives state that IMTs/BMPs improve the quality of communication between authorities and companies because they bring contacts on a more regular basis about a broader range of topics. Consequently, both parties perceive an increase in mutual understanding. However, the status of BMP-measures (*i.e.* self regulation) in relation to permits (*i.e.* formal regulation) needs clarification. New ambiguities about the role of formal regulation (permits and enforcement) have manifested themselves, which can blur future interactions between companies and authorities.

