

to understanding of the Left's response to European integration and explains the salience of the Cold War period in shaping the outcomes. For students of the policy process an appendix detailing the policy-making structures of the political parties, the trades unions, pressure groups and think tanks is most helpful.

Mullen ends with a discussion of the prospects for the future, sketching out the configuration of forces in the UK on the question of EU reform, the Euro and further enlargement, appraising the rival visions of left activists. We can, as a result, discern four distinct visions of a future Europe: we have New Labour's third way model, the centre left's social Europe, the Bennite Commonwealth of Europe and the Green Party's Europe of the Regions. Inevitably in a fast moving world, the author has not been able to consider the importance of the demise of Tony Blair, the likely disintegration of the Brown government or the determination of the EU commission to implement the new constitution under the guise of the Lisbon accord, all of which may yet produce surprise outcomes.

What then, with these two fascinating attempts to analyse the impact of the EU on both the left and the far right, can we conclude? Perhaps oddly, they lead this reviewer to suggest that after 50 years of growth of the EU and the demise of ideology the very terms 'left' and 'right' are no longer fit for purpose as a model to explain political process. We must now learn to ground our understanding of power relations and the battle of ideas as a conflict between the centre and the periphery.

Reference

Mudde, C. (1996) The war of words defining the extreme right party family, *West Europe Politics*, 19(2), pp. 225–248.

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EU Emissions Trading: Initiation, Decision-making and Implementation

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This book provides a detailed account of the development of the European Union Emissions Trading Scheme (EUETS), introduced in 2005 to assist in the achievement of European Union (EU) commitments within the Kyoto Protocol. As explained in chapters 1 and 2, the EUETS was the first international trading scheme for the mitigation of carbon emissions, initially focusing on the reduction of carbon dioxide emissions from large emitters at defined sites. Caps on emissions were imposed through the issue of allowances and fines for non-compliance and trading was facilitated between those sites which exceeded their allowances and those which emitted less carbon dioxide than their permitted levels.

The Scheme has been introduced in two phases, through National Allocation Plans (NAPs) drafted by each member government and approved by the Commission: the first phase ran from 2005–2007 and the second phase was introduced in 2008, to coincide with the first commitment period (2008–2012) within the framework of the Kyoto Treaty. The Scheme has therefore provided a means for European installations to gain experience in emissions trading before the commencement of the Treaty's first commitment period, and the prices at which allowances are traded in Europe were expected to provide a basis for allowance prices through the framework of the Treaty. Furthermore, the Scheme provides for 'linkage' to other 'flexible mechanisms' within the Kyoto Treaty, such as the Clean Development Mechanism and Joint Implementation.

The Scheme has been criticised, however, for setting allowance levels which were undemanding in the first phase, thereby giving rise to low prices for carbon allowances, except in the spring of 2006 when there was an exaggerated concern that many sites may have significantly exceeded their targets. Furthermore, the first phase of the Scheme could also be criticised for a lack of harmonisation, as although the NAPs were approved by the Commission, each member government decided how to allocate the allowances between sites located in its national territory. In the second phase of the Scheme, however, the Commission has attempted to increase harmonisation in the distribution of allowances across member states. In addition, more stringent caps have been set, which should lead to further reductions in carbon emissions, with consequent higher prices for carbon allowances. This latter potential change, however, has led to further criticisms that the Scheme could lead to lower competitiveness of European producers as a result of increased allowance prices feeding through into higher electricity prices, together with additional process-related carbon mitigation costs for defined production sites included in the Scheme. The authors rehearse all of the above arguments in a clear and concise manner in chapters 3–6.

The authors' main objective, however, is to place the Scheme within a temporal analytical framework consisting of three distinct phases, namely the initiation of emissions trading from the signing of the Kyoto Protocol in 1997 to the proposal for an emissions trading directive in 2001, the decision to implement emissions trading on an EU-wide basis, which occurred from 2001 to the adoption of directives in 2003 and 2004, and the implementation process itself from 2005 onwards. At each of these stages propositions are introduced from three explanatory perspectives, namely the intergovernmental approach, which focuses mainly on the level of nation states, the multilevel governance approach, which is mainly concerned with EU institutions, and the international regime approach, which focuses on the influence of the Kyoto Protocol. The methods chosen for the research were literature surveys and interviews with some 35 officials, policy-makers and representatives from the European Commission and national governments (EU and non-EU) and companies, trade associations, consultancies and research centres. A list of the interviewees is provided at the end of the book, and the sample is certainly comprehensive, experienced and expert.

Each chapter of the book provides its own conclusions for the appropriate stage of development of the EUETS, summarised subsequently in the final chapter. These are mainly concerned with an explanation of how the EU, which was initially sceptical of emissions trading as a means for achieving Kyoto targets, emerged later as a leader in international emissions trading for carbon dioxide. The authors point to several explanations, including the replacement of technologists by economists within the Commission and the use of qualified majority voting. In addition, the Commission established a dialogue with non-state actors, such as influential industrial representatives,

who preferred the assets of tradable allowances to the irretrievable costs of fines or carbon taxes, and environmental non-governmental organizations (ENGOS) in order to create acceptance of emissions trading as a viable means to meet climate policy objectives. The book also provides information on the various aspects of lobbying at both the national and industrial levels, which achieved specific results such as the initial opting out of participants in the UK Emissions Trading Scheme and the removal of the European chemical industry from the EU Scheme. The authors conclude that their chosen explanatory perspectives provide a satisfactory analysis of the development of the EUETS and highlight how these perspectives interacted and changed in importance.

The publication of this book is timely as the Scheme is now in the second phase of its implementation and is being extended to include more gases and more branches, such as aviation. In addition, the Scheme may also be extended to include regional schemes within non-EU countries. Furthermore, as the shape of a post-2012 climate change agreement has still to be established at the global level the issues of climate change policy in general and emissions trading in particular are set to remain firmly on the international agenda. The future debate may be more influenced, however, by concerns about energy security and the influence of fuel costs, rather than carbon allowance prices alone. The authors have therefore done a great service to research in this field by the provision of this well-informed survey on EU emissions trading policy to date and they have also provided a basis to understand how that policy may change in the light of continuing and new problems related to energy and the environment.

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