## Index

20-20-20 plan 74  
‘1999 crisis’ 31–2

Abramoff, Jack 135  
Acid Rain Program 61, 72  
Ackerman, B.A. 107, 133  
agencies 23, 25  
agent 26, 31, 36–42, 45, 131  
agriculture 15, 17–18  
see also farming
Alesina et al. 15  
allocation rule 48–9, 58–9, 71, 131  
allocation price 104  
allocation allowances 62–5, 102–5  
America 60–62, 72, 110, 134–5  
Andersen, B. 102  
Andersen, P. 49  
Andreasen, Marta 32–3  
anti-corruption see anti-fraud  
anti-fraud 25–6, 32, 45, 131  
Aspinwall, M. 7  
asymmetrical political pressure 19, 22  
asymmetric information 36, 40, 43  
asymmetric organization 3, 87  
asymmetries 103, 105  
auctions 57–8, 71, 92–3, 103  

babbling equilibrium 119–21  
Bache, I. 11–12  
backloading 102  
Bain, J. 54–5  
Baliga, S. 37, 40  
Baptists 111, 128, 133  
Barrett, S. 109–10  
barrier to entry 54–5  
Barroso, José Manuel 74  
Bayesian equilibrium 113, 118  

Becker, C.S. 49  
behavioural codex 34  
beliefs 118, 120–21, 127  
benefit  
  marginal 66, 69, 96, 105  
  net 20, 66–7, 69, 96, 100  
biologists 108, 111–16, 118, 129, 133–4  
‘black fish’ 124  
Blowing the Whistle (van Buitenen) 32  
Bootleggers and Baptist theory 110–11, 128, 133  
Bower, Joseph L. 94  
Brandt, U.S. 104, 110–11  
bribes 34, 40–42, 44–6, 131  
brown industries 91  
brown power plants 92–4, 105, 133  
Brussels–Strasbourg Euroshuttle 14  
Buchanan, J.M. 84  
budget 15–18, 24, 27, 38, 43, 45  
affect of fraud 25  
affect of redistribution policies 8, 130  
‘budget catch model’ 24, 27–30, 45  
budget discharge 13  
budget maximization 28, 45, 131  
Buitenen, Paul van 32  
bureaucracy 23–46, 131  
business organizations 14  
Buzek, Jerzy 25  
cap-and-trade system 47–8  
CAP (Common Agricultural Policy) 17, 81, 84, 106, 123, 130  
carbon dioxide (CO₂) emissions 47–8
carbon dioxide (CO₂) permits 92, 102–3
carbon market 49
carbon trade 110
carrot–stick approach 109–10
catch 113–14, 117–18, 124, 133
CEFIC (European Chemical Industry Council) 60
CEMBUREAU (European Cement Association) 59–60
cement industry 59–60
centralization, power 11–22, 130
CEPF (Confederation of European Forest Owners) 59
CEPI (Confederation of European Paper Industry) 59
ceramic industry 59–60
CERAMIE-UNIE (European Ceramic Industry Association) 59–60
Chang et al. 23
Chari, R. 6, 13
cheating 49–50, 62, 65–72, 131–2
and incentives 64
and permits 61
chemical industry 60, 71, 87
climate change 109–10, 128–9, 133
climate plan 74
coal-based technology 79
coalition 110, 128, 133
collective action 86–7, 89–90, 132
collective good 86–7
the Commission 11–15, 22, 24–5, 130, 135
and bureaucratic corruption 31–3
and EU ETS 48, 60–61
on fraud 50
and OLAF 35–6
and TACs 124
commissioners 24
Common Fisheries Policy (CFP) 108, 111–14, 123–5
common pool problem 27
comparative advantages 81
competition 23–5, 71, 73, 132
competitive advantage 73, 128
competitiveness 75, 78, 80, 93
compliance mechanisms 109
Confédération Générale de l’Agriculture (CGA) 17
contracts, fictitious 33
Copa-Cogeca 87–8
corporatism 7, 135
corruption 30–42, 44–6, 72, 131
and EU ETS 61, 70
lowering risk 135
problems 25–6
variation among EU countries 62
Corsi, Elena 94
costs of cheating 68, 70
enforcement 49
marginal 49, 106, 116
marginal reduction 53–4, 62
reduction 78–9
transaction 21
Council of Ministers 12, 14
countervailing lobbying 91–106, 132–3
Crawford, V.P. 113
Cresson, Edith 31–2
crime, optimal level 49
decentralization, power 11, 21, 135
decision-maker 14, 113–15, 117, 119, 123, 129, 134
and beliefs 118, 120–21, 126–7
defence 15–16
Défense des Exploitants Familiaux (MODEF) 17–18
DEI 93
Delmas, M.A. 77
democratic deficit 7, 12–13, 135
Denmark 12
Deposit Guarantee Schemes Directive 34
Directive 2001/77/EC 83
DONG Energy 92–4, 104
double-dealing 40
double entry bookkeeping 32
Dür, A. 91
eco-labelling 77
economic growth 25, 131
economic net gain 85
economic rents 51, 55–7, 71, 89, 99, 132
effort 94–7, 100–102
electorate 43
electricity 82–3
electricity producers 58–9
emissions 48, 74, 92, 107, 110
  reducing 77–8, 128, 132
see also targets, emissions
emissions trading 47, 71, 132
energy 78–9, 92–4, 110, 128–9
  wind 74, 82–4, 89, 133
enforcement 49, 60–70, 124
entrants 52, 55–6, 71, 108
entry barrier 54
environmentalists 107–11, 128, 133
environmental protection 16–17, 128
environmental quality 107, 111, 128, 133
EPA (Environmental Protection Agency)/US 61
EREC (European Renewable Energy Council) 83
EUAs (European Union Allowances) 48
EU ETS (EU Emissions Trading Scheme) 47–72, 102–5, 131–3
EURELECTRIC 58–9
EUROFER (European Confederation of Iron and Steel Industries) 59
Eurogramme 33
‘euro groups’ 19, 22
European Committee of the Folketing 12
European Court of Justice 124
European Dream 8, 130
European Parliament see Parliament, EU
European People’s Party (EPP) 34
European Petroleum Industry Association (EUROPIA) 89
European Transparency Initiative 6
Eurostat 33
EWEA (European Wind Energy Association) 83
exploitation of the resource 27
external costs 72
extreme expert equilibrium 119–21
extreme experts 113, 119–20, 126
farming 19, 74, 78, 80–82, 84, 87–9, 132
and the EU budget 15
and first-mover advantages 77
in France 17–18
Fédération Nationale des Syndicats d’Exploitants Agricoles (FNSEA) 17
fictitious contracts 33
Financial Instrument for Fisheries Guidance 124
fines 61–2, 65
first-mover advantages 73, 75–8
fisheries regulation 49
fishery organization 116
fishery policy 108, 111–29, 133–4
Folketing 12
foreign relations 15–16
formal institutions 18
fossil fuels 93
Foulouy, Christian D. 5
France 17–18
fraud 25, 50, 131
see also corruption
free-rider incentives 49, 86, 109, 132
free trade 8, 130, 136
FuelsEurope 59
gas 59, 94
General Committee for Agricultural Cooperation in the European Union 87–8
George, S. 11–12
Germany 17
GHGs (greenhouse gases) 47, 58–60, 71–2, 110
  reduction 74, 132
Gilligan, T. 113
The politics of persuasion

Goodman, M. 30–31
Gouldson, A. 2
grandfathering 52–60, 71, 110, 132
and green and brown power plants 92–3
Grant, L.E. 77
green industries 73–91, 132
Green Paper on GHG trade 47–9, 57–8, 71, 132
green power plants 92–4, 105, 133
Greenwood, J. 7, 25
group size theory 85–90, 132
growth 25, 131
Gullberg, A.T. 14
Gupta, J. 110
Halliburton 134
Hardin, G. 70
Hassler, W.T. 107, 133
Hedegaard, Connie 74, 102
Hieronymi, P. 91
Hillman, A.L. 3
Hoel, M. 110
human capital 11
hydropower 93
ICES (International Council for the Exploration of the Sea) 112, 117, 124
IFOAM (International Federation of Organic Agriculture Movements) 82
illegal fishing 123
incentives 64, 107–29, 131, 133–4
income taxes 104
incumbents 52, 54–6, 71
independence, institutional 131
industrial interest groups 58–60, 131–2
industrialists 107–11, 128, 133
inefficiency 24, 56
informal institutions 18
information asymmetry 45
inspection 65–70
interest groups 3–5, 7–8, 10, 14–15, 36, 129
and centralized power 21–2, 130
and countervailing lobbying 91, 106, 132
industrial 58–60, 131–2
and maximizing profit 2
opposing 108, 128, 134
intervention price 106
intra-industry competition 75
Investor Compensation Schemes (ICS) Directive 34
iron and steel industries 59
Jensen, M.F. 44
Jones, R.A. 123
Kallas, Siim 6
Kanol, D. 5–8
Kinnock, Neil 33
Krehbiel, K. 113
Krishna, V. 113
Kyoto Protocol 48, 59, 110
Kyoto target levels 70
Lambsdorff, J.G. 30
latent groups 104
Leonardo project 31
Levi, M. 6, 84
Lobbying Disclosure Act 4, 134–5
Lukes, S. 1, 130, 134
Mahoney, C. 109
marginal benefit 66, 69, 96, 105
marginal costs 49, 106, 116
marginal net benefit 20
marginal reduction costs 53–4, 62, 64
Marla, C.D. 102
marine biologists 108, 111–16, 118, 129, 133–4
market protection 107–8, 111, 128, 133
Markussen, P. 49
MEPs 33–4, 103
missing trader intra-community fraud 50
MODEF (Défense des Exploitants Familiaux) 17–18
monitoring systems 109
Monnet, Jean 13
Morgan, J. 113
Multi Annual Guidance Programmes (MAGPs) 123–4
Murphy, J. 2
Nash equilibrium 97–9
net benefit 20, 66–7, 69, 96, 100
net gain 86–7, 132
Nevill, J. 112
Niskanen, W.A. 23–4, 45
non-extreme experts 120–23
non-governmental organizations (NGOs) 14
Nordhaus, W.D. 103
O'Donovan, D.H. 6, 13
OGP (Association of Gas and Oil Producers) 59
oil 59, 94
OLAF (Office de Lutte Anti-Fraude) 25–6, 32, 35–6, 38, 46, 131
Olson, M. 18–19, 43, 85, 87, 89–91, 103
one-sided lobbying 96, 101–2
open access 27
openness 43–4
optimal level of crime 49
organic farming 74, 78, 80–82, 84–90, 132
overfishing 124–5, 129
paper industry 59
Parliament, EU 5, 13–14, 22, 24, 130–31, 135
and budget 45
and corruption 25, 33–4
partial analysis 6
path-dependency 125
permit price 92, 94, 105
permits 47–8, 51–2, 60–62, 92–3, 110
grandfathered 53–8, 71
Pezzey, J.C.V. 85
pluralism 6–8
political corruption 30
polluters 92–3
pollution 51, 53, 56, 91
posterior beliefs 118
power 1–2, 130–31
power centralization 11–22, 130
power decentralization 21
PPP (polluter-pays principle) 91–3
precautionary principle 112
price distortion 99–101, 103
principal 43
principal–agent models 36–7, 131
principal–agent theory 23
principal–supervisor–agent model 26, 38–46, 131
prior beliefs 118
Prisoner’s Dilemma 99, 106, 109–11, 133
privileged groups 103–4
product development 73
product life cycles 75–8
profit 54, 61, 110, 112, 114, 116, 128
and agricultural groups 18
and countervailing lobbying 95–6, 99, 101
and fishermen 123, 125–6
and interest groups 2
and market protection 107
and principal–supervisor–agent 41, 43–4
and supervisor 38, 42
zero 52, 55–6
property rights 27, 49, 53
protection 107–8, 111, 128, 131, 133
public goods 17, 24–5, 27–9, 86, 131
pulp and paper industry 59
‘ratchet effect’ 29
rational choice theory 2, 6, 84–9, 107, 110, 112, 131–2
and supervisor 38, 42
rational ignorance hypothesis 35
REACH (Registration, Evaluation and Authorization of Chemicals) 87
recovery measures 129
redistribution 8, 130
registration 4, 135
renewable energy 74, 78–9, 92–4, 110–11, 128–9, 133
wind turbines 82–4, 89
rents, economic 51, 55–7, 71, 89, 99, 132
reporting 135
research and development (R&D) 77
reversal, incentive 125–7
Riker, W.H. 84
Ringius, L. 110
Rome, treaty 123
Rose-Ackerman, S. 30–31
sanctioning 46, 61–2, 135
Santer, Jacques 31
Schjødt, E.B. 18
Schmidt-Brown, Dorte 33
Schüller, D. 91
SEAP (Society of European Affairs Professionals) 5
self-regulation, voluntary 5
Severin, Adrian 33–4
small-group advantage 19, 22
Sobel, J. 113
Social Democrats 34
Solbes, Pedro 33
Spain 17
special interest groups 3–5, 10, 15, 91, 134
see also interest groups
spillover effect 136
sponsors 23, 45
Statkraft 93
STECF (Scientific, Technical and Economic Committee for Fisheries) 124
steel 59
stocks 117–18, 120, 124, 126
depletion 123
high 114, 122
low 113, 121, 127
stock sizes 112, 114, 119–20, 126–8, 134
low 129
and marginal costs 116
and profitability 125
Storting 14
Strasser, Ernst 33–4
structural funds 15–16, 130
subsidies 81–2, 89, 111, 133
fish 113–14, 123–9
sugar 106
sulphur dioxide (SO2) 61
Sunday Times 33–5
supervisor 26, 37, 40, 43
and corruption 38, 41–2, 44–5, 131
Sutinen, J.G. 49
Svendsen, G.T. 18, 49, 104, 110–11
switch point 75, 78–80, 132
symmetric information 3–4
TACs (total allowable catches) 124
targets, emissions 59, 70, 72–3, 78, 84–5, 89, 132
and 20-20-20 plan 74
and cheating 67
and chemical industry 60
and electricity 82–3
taxes 50, 52, 79–80, 103–4
Thaler, Zoran 33–4
Thatcher, Margaret 14
Tirole, J. 37, 40, 42, 45
TPS (tradable permit system) 51, 53–7
‘tragedy of the commons’ 29, 70
transaction costs 21
transparency 4–6, 42–4, 97, 136
Transparency Initiative 4–6
Transparency International 6, 25, 31, 62
Transparency Register 6
Treaty of Rome 123
truth-telling 64–5, 114, 120–23, 131
Tullock, G. 84
two-sided lobbying 96–102
Index

UCLAF (Unit for the Coordination of Fraud Prevention) 25–6, 32
UK 124
uncertainty 67, 72
unilateral actions 110
US 60–62, 72, 110, 134–5
Uslaner, E.M. 25

Varjopuro et al. 103
VAT (value-added tax) 50
Vernon, R. 75
Voluntary Energy Efficiency programme 60
voluntary registration 4
voluntary self-regulation 5

Warner, C.M. 26
waste of resources 99–101, 103, 106, 132–3
welfare loss 99–100, 105, 133
whistleblowers 35, 46, 131, 136
White Paper, 1997 82
wind energy 73–4, 79–80, 133
wind farms 94
wind turbine producers 77, 82–4, 86, 89–90, 132

Xanthaki, H. 35

Yandle, B. 110

Zalba, Pablo 33–4