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CUSTOMISING EU ENERGY EFFICIENCY POLICY

The national strategy behind implementing Article 7 of the EU Energy Efficiency Directive 2012: a case study of Sweden

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Abstract

This Master Thesis examines the topic of Member States (MS) implementation of EU policy, with the two-folded aim of studying *how* and *why* MS customise EU policy in the manner that is proceeded with. The strategy behind MS implementation of EU policy is hence at centre stage and is analysed through the development of an innovative theoretical framework. The theoretical development established in this thesis marries the descriptive concept of customisation with the explanatory elements of Rational choice (RC)- and Sociological institutionalism (SI). The thesis adopts a qualitative research design when examining the two-folded aim applied to the single case of Sweden's implementation strategy of Article 7 in the 2012 Energy Efficiency Directive (2012/27/EU). The material of the study is retrieved through a mix-method approach of combining qualitative text analysis with conducting two expert interviews. The findings of the study determine that Sweden customised its implementation strategy both *to a considerable extent* and *to a certain extent* in making use of the leeway under Article 7 (9). This notion is based on the ambiguousness of Article 7's Policy content which on the one hand requires MS to implement Energy Efficiency Obligation Schemes (EEOS) under Article 7 (1), but on the other establishes the considerable leeway under Article 7 (9) where the MS may choose alternative measures other than EEOS. Based on the findings, it is also determined that the causes behind Sweden's customised implementation strategy correlate extensively with the independent variables put forward by the RC approach. It was found that veto players, the formal institutional settings, and administrative capacity had the greatest impact on the final formulation of the Swedish strategy. The SI approach, on the contrary, is concluded to not have an extensive impact on Sweden's choice of implementation. The independent variables of SI in norm entrepreneurs, informal institutions, and issue salience, had a considerable absence in the context due to the domestic unawareness about what Article 7 entailed at the time of evaluation.

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List of Abbreviations

Abbreviation	Definition
EU	European Union
EC	European Commission
MLG	Multilevel Governance
EEOS	Energy Efficiency Obligations Scheme
EED	Energy Efficiency Directive
MS	Member States
2012/27/EU	The Energy Efficiency Directive of 2012
RC	Rational Choice institutionalism
SI	Sociological institutionalism
OPs	Obligated Parties
NEEAP	National Energy Efficiency Actions Plans
V	Vänstern, Left Party
S	Socialdemokraterna, Swedish Social Democratic Party
MP	Miljöpartiet, Swedish Green Party
C	Centerpartiet, Center Party
SD	Sverigedemokraterna, Sweden Democrats
M	Moderaterna, Moderate Coalition Party
KD	Kristdemokraterna, Christan Democrats
FP	Folkpartiet, The Liberals

1. Introduction

The European Union (EU)'s requirements on the Member States (MS) have intensified over the past years as policies across sectors have become more ambitious. A primary instance of this is the environmental policy sector. The first European energy and climate package was agreed upon amongst EU leaders in 2007, which later has become known as the 20-20-20 target (European Commission, 2022a). The package entailed the requirement that MS had to achieve a 20% cut in greenhouse gas emissions (from 1990 levels), 20% of EU energy from renewables and 20% improvement in energy efficiency, by the year of 2020 (European Commission, 2022a). Fast forwarding nearly fifteen years and the president of the European Commission states the following:

> *"Europe with its European Green Deal will spare no effort to become the first climate neutral continent"- Ursula Von Der Leyen, Speech at the UN Climate Change Conference, 1st of November 2021 in Glasgow. (European Commission, 2021).*

For the EU's high aspirations to be achieved, it is obvious that it needs to be followed by its twenty-seven Member States (MS). Studying MS implementation of EU policy is of importance to understand how the supranational arrangements are being translated to domestic level. The European studies literature on investigating the phenomenon have tended to focus on aspects relating most dominantly to the extent of MS legal compliance with the EU policy targets (Bursens, 2002; Börzel & Buzogány, 2019; Falkner et. al, 2005). Legal compliance has been measured by distinguishing the MS correct transposition of a certain directive and then evaluating various degrees of compliance (Bursens, 2002; Börzel & Buzogány, 2019; Falkner et. al, 2005). But there are far more aspects that relates to the process of MS implementation of EU policy that needs to receive more attention to understand MS varying responses to EU policy. The MS strategies on implementing EU policy is an under researched area, and to conduct such study is of value to receive insight to how and why MS implement EU policy in the manner that is proceeded with.

The following master thesis centralises on this very phenomenon. It looks beyond evaluating the extent of legal compliance, and instead investigate the underlying strategy behind MS implementation of EU policy. It gives valuable insights to how MS customise the content of

EU policy to suit the domestic conditions, and further examines the causes to why the customisation occurs.

The dissertation is a single case study and examines the Swedish strategy behind the implementation of Article 7 in the 2012 Energy Efficiency Directive (EED). The 2012 EED (2012/27/EU) was the first established directive to enhance the MS in achieving the stated target of a 20% energy efficiency improvement (European Commission, 2022b). Article 7 played a key role in the directive since it set out the requirement that the MS had to reduce their national energy sales to final consumers by 1.5% annually (European Commission, 2022b). Article 7 (1) included the requirement that the MS needed to set up Energy Efficiency Obligation Schemes (EEOS) (Directive 2012/27/EU). Prior to the adoption of the directive in 2012, only the two MS of Denmark and the United Kingdom had long-standing EEOS (Broc et.al, 2020). Meaning that the vast majority of the MS would need to change their domestic energy policy to comply with Article 7 (1) of the 2012 EED. However, under Article 7 (9), it was presented that the MS may choose alternative policy measures or a combination of alternative policy measures and EEOS. Sweden was one of the MS that early on decided to employ Article 7 (9) in which granted the country with the opportunity to adopt alternative policy measures alone (Directive 2012/27/EU).

The concept of customisation (Thomann, 2015) is the main approach used in the dissertation to decide the extent the Swedish strategy customised Article 7 of the 2012 EED. Based on the concept, the thesis analysis is steered by the assumption that Sweden makes use of the considerable leeway set out in the EU policy of Article 7, to customise its content to suit the Swedish domestic context. Following the customisation concept, the Swedish implementation strategy is decided by two prominent dimensions when compared to the content of the Article 7; density (the number of additional rules added or removed), and intensity (the substantial (non-) additional restrictiveness of the domestic rule).

When the extent of customisation is determined the thesis then turns to analyse the causes behind Sweden's customised implementation strategy. The approaches in institutional theory (Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006) of Rational choice (RC) and Sociological institutionalism (SI) are added to the discussion, to outline the domestic aspects of preferences and beliefs systems in determining the reason behind Sweden's choice of strategy in implementing Article 7 of the 2012 EED. The dissertation hence develops

an innovative theoretical framework that connects the descriptive concept of customisation with the explanatory indications presented in RC and SI.

The study finds that Sweden customised the content of Article 7 in the 2012 EED to a considerable extent *and* to a certain extent through its implementation strategy. The degree of Swedish customisation depends on what part of the policy content is being examined, this relates to the thesis notion that the ambiguity of EU policy generates the MS with numerous opportunities to respond the content, and customisation hence occurs to various extents even within the same article examined. The thesis further explains that the causes behind Sweden's customised implementation strategy correlates extensively with the independent variables put forward by the RC approach i.e., it is found that veto players, the formal institutional settings and administrative capacity had the greatest impact on the final implementation strategy. The SI approach, on the contrary, is concluded to not have any extensive impact of Sweden's choice in implementing the Article. The independent variables of SI, norm entrepreneurs, informal institutions, and issue salience, have a considerable absence in the context due the domestic unawareness about what Article 7 entailed at the time of evaluation.

The study contributes to the research area of EU implementation studies in developing a new innovative theoretical framework that connects the descriptive approach of describing to what extent MS customise EU policy, with explaining the causes relating to why the determined customisation occurs. The case selection of Sweden as the Member State and Article 7 of the 2012 EED as the EU policy, is a favourable choice of examining the phenomenon since Article 7 entailed both ambitious requirements that the MS were expected to reach concurrently as a new policy instrument was introduced to reach it. Sweden was one of the MS that early on decided to employ the leeway set up by choosing alternative measures alone to follow the policy and has stuck by the same approach throughout the complete policy period of 2014-2020 (Broc et al., 2020).

1.2. Aim & Research Questions

The following master's thesis aspires to fill the research gap within EU implementation studies on how and why MS customise EU policy, in the manner that is proceeded with. The aim of conducting such thesis is two-fold. The first aim is of descriptive character, aspiring to describe how Sweden customised its implementation strategy of Article 7 in the 2012 EED. The second aim is to explain the customisation patterns seen in the determined Swedish implementation strategy, by evaluating the different causes and their degree of impact on the final strategy.
The two-fold aim of the study has thus led to the formation of the two interrelated research questions that guides the thesis:

1. How did Sweden customise its implementation strategy of Article 7 in the EU energy efficiency directive of 2012?

2. Why did the determined customisation occur?

1.3 Outline

The outline of the current master thesis is structured in eight chapters. The first current introductory chapter is followed by the second chapter of previous research. The previous research chapter commences with presenting the literature of implementation studies in general, outlining the essential terminologies and its different waves in European studies. Then, the relating concept of compliance is illustrated by means of how it is related to implementation studies and scholars move beyond it. The previous research chapter is concluded by illustrating the concept of customisation which plays a valuable role in the theoretical development of the study.

The third chapter discusses the contribution of the thesis. The fourth chapter conceptualise the theoretical framework of the study, with connecting the core concepts of customisation with rational choice- and sociological institutionalism, establishing how the marriage of them is used to reach the aim of the study. Subsequently, chapter five describes the use of mix-method and material adopted. Chapter six describe the case of Article 7 in the 2012 EED with the relating Swedish strategy. Chapter seven then analyses the empirical findings through the

operationalisation of the developed theory. The thesis is completed by chapter eight which entails the conclusion that determines the main findings of the study and potential for further research. The relating appendices are found after the bibliography list.

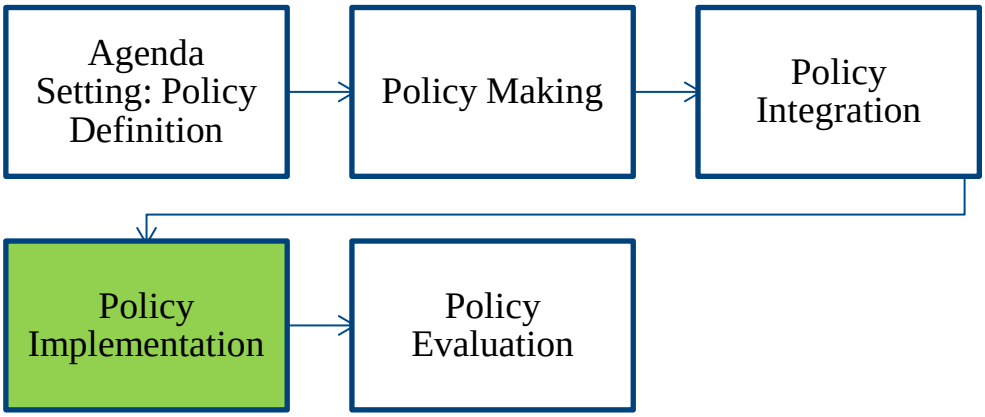
2. Previous research

The following chapter outline previous research on how EU implementation studies have been traditionally examined, by briefly introducing its origin, development, and areas of focus. The chapter then presents the relating concept of compliance which often correlates with EU implementation studies, here the study makes the distinction between what has been traditionally referred to as legal compliance respectively practical compliance. Naturally, the previous research chapter subsequently turns to the concept of customisation which lately has become recognised by scholars as the 'missing link' between legal compliance and practical compliance. Customisation is the most important part of this chapter since it plays a key role in the subsequent theoretical development of this thesis along with rational choice- and sociological institutionalism.

2. 1. EU Policy implementation studies, origin & development

This thesis is concerned with investigating the EU policy phase of implementation, neglecting both previous and subsequent phases of the policy process, to give insight into the stage commonly known as "(…) translating policy into action" (Barrett, 2004: 251; Treib, 2014: 5). The traditional policy cycle in social science is categorised from problem definition by agenda-setting, to policymaking, policy integration, policy implementation, and lastly, the phase of policy evaluation (Treib, 2014). *Figure 1* is a simplified illustration to establish an overview of the traditional policy process that scholars of domestic politics and European studies have commonly embraced.

Figure 1 Own illustration of the traditional perspective on the policy process: the interest of this thesis is marked with green colouring.



The interest in implementation studies started to gain scholarly attention by the mid-1980s, both within the field of European integration research and the relating field of domestic politics. *Policy and Action* (1981) by Barrett and Fudge depict a collection of essays portraying various forms of public policy implementation which later became "(...) a core text in the 1980s for policy studies" (Barret, 2004:250). The mid-1980s further constituted the time of what later has become recognised as the first 'wave' of European implementation studies (Treib, 2014). The research area has since seen the development of four distinguished 'waves' of scholarship, all characterised by different methodological tools and theoretical explanations (Treib, 2014; Zhelyazkova & Thomann, 2021a). The first literature movement of EU implementation studies is defined by two schools of thought: the top-down and the bottom-up approaches (Matland,1995; Treib, 2014; Zhelyazkova & Thomann, 2021a). The two camps first started to emerge in the field of domestic politics and later became evident in European integration studies through the introduction of the Single Market Programme (Treib, 2014). The top-down perspective views policy implementation as "(...) a result of hierarchical guidance 'from above'" (Zhelyazkova & Thomann, 2021a:221). The central actors of focus are the ones entitled to formulate and decide policy. Legal compliance is argued (Zhelyazkova & Thomann, 2021a) to be of fundamental importance regarding this perspective since it outlines to what degree the policy implementers uphold the decided policy in question.

The bottom-up theorists became apparent as a counterpart by emphasising the importance of engaging and illuminating the domestic actors' role in policy implementation. It was argued that the position of domestic parliaments, related interest groups, and subnational entities needed to be considered. In comparison to the top-down approach, was the domestic actors of main concern for successful implementation. The first wave of implementation studies evolved and resulted in over-reaching conclusions that a mix of both perspectives could be regarded as beneficial in describing the EU implementation process. (Matland, 1995; Treib, 2014; Zhelyazkova & Thomann, 2021a). The first wave has thus given rise to the development of three common analytical perspectives on EU policy implementation still prominent in current research: the top-down approach, the bottom-up approach, and the dominant hybrid between the two.

The recognised second wave of EU implementation studies was established in the late 1990s, where most of the related research initiated a new focus on the concept of Europeanisation. Europeanisation became investigated from the perspective of its domestic impact, which resulted in studies centralising on the goodness-of-fit hypothesis (Treib, 2014). The main aspect to explain successful policy implementation was the extent to which the MS domestic institutions and regulatory tradition had a fit/misfit with the EU policy (Treib, 2014). The goodness-of-fit approach has been specifically applied in the context of EU implementation studies focusing on environmental policies (Gollata & Newig, 2017; Knill & Lenschow, 1998; Skjærseth et al., 2016).

What characterises both the subsequent third and fourth wave of EU policy implementation literature, is the division of interests between the quantitative and qualitative studies. The qualitative scholars began in the noted third wave to direct their attention toward party preferences of the member-states national governments i.e., how the party constellations within the national parliaments impacted the legal implementation of EU policies. In essence, "(...) more thoroughly focus on the preferences of crucial players in the domestic political arena" (Treib, 2014:10). While the quantitative research had a greater variety of interests and investigated aspects more related to the domestic administrative capabilities and its relation to legally complied transposition of EU policy (Hille & Knill, 2006). The divide between the focus of interest in quantitative and qualitative approaches became further extended in the

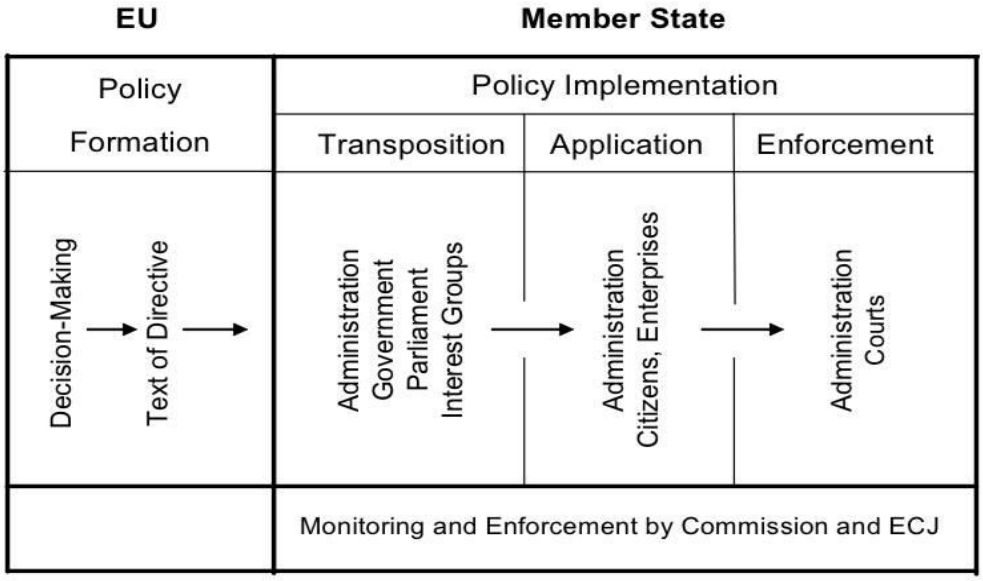
distinguished fourth wave whereas the qualitative implementation studies began to explore the domestic actor's stance towards the rulings of the European Court of Justice (ECJ). While the quantitative research enhanced its focus on the matter of EU-decision-making about domestic transposition (Treib, 2014).

By referring to the brief timeline of EU implementation studies presented above, it can be determined that the field of study has encountered various trends in the choice of methodological tools and theoretical approaches to investigate the phenomena. However, as will be described in the subsequent parts of this chapter, the EU implementation studies have dominantly tended to focus on the same aspect of the implementation stage, i.e., the legal transposition of EU policy to the domestic level. An actuality of an apparent research gap that inspired this thesis to fill.

2.1.1. The various stages of the EU implementation process

The implementation phase has in turn distinguished stages that a policy goes through during this part of the policy process, which has caused scholars to establish various key interests depending on what stage of the implementation phase has been of concern to examine. As presented in *Figure 2* illustrated by Treib (2014), the implementation phase of EU policy is commonly viewed by scholars as a three-stage procedure. Each implementation stage holds a specific focus of interest in relation to the policy concerned, as well as the actors involved and the criteria to reach (Zhelyazkova & Thomann, 2021a). The initial stage of the EU implementation process commences with the transposition of the policy in question. This is the point of the proceeding when EU policies are translated by member states into national law, also known as the formal/legal transposition. Here, the directive is still ‘on paper’ and thus not ‘in action’ (Versluis, 2007; Zhelyazkova & Thomann, 2021a).

Figure 2: Figure completely retrieved from Treib (2014)



As has been hinted, it is argued (Treib, 2014) that the majority of current EU implementation literature mostly focuses on the aspect of legal compliance at the transposition stage when investigating the phenomena. An actuality which has caused other aspects of the transposition stage, as well as the other stages of the process i.e., the application and enforcement stages, to become neglected. The main argument behind why the application and enforcement stage has received less scholarly attention is stressed to be because of methodological reasons. Falkner et. al (2005) argues by these reasonings when describing why the authors disregarded the aspect of application and enforcement in their comprehensive study of MS compliance with EU directives, "As outlined elsewhere in this book, we could not conduct an in-depth study of application and enforcement since a grass-roots enquiry was beyond or means" (Falkner et al., 2005:327).

In the light of this thesis, it is more difficult to find arguments to why not other aspects of the transposition stage than legal compliance has received more scholarly attention. This thesis aims to fill that research gap of implementation studies, moving beyond investigating legal compliance of MS transposition of a directive, and instead illuminating the aspects of how and why MS transpose the policy in the manner they proceed with. Hence, based on *Figure 2*, this study is still concerned with the traditionally investigated stage of transposition, but moves

beyond examining the degree of correct transposition, and examines in-depth how and why MS transpose EU policy.

2.2 The notion of compliance

The outline of this thesis 'previous research' chapter has deliberately separated the concept of implementation and the notion of compliance into two separate branches, however, both concepts are closely linked and often appear in the same research. Nevertheless, it should be noted that the concepts are different. The common definition of compliance is "(...) a state of conformity or identity between an actor's behaviour and a specified rule" (Treib, 2014:5). Examination of the degree of compliance has been of interest not just among EU integration scholars but further in international relations on how domestic entities meet international set agreements.

It is necessary to emphasise that the notion of compliance in implementation studies is a rather expansive concept, where it can be examined in various stages of the implementation process. For the simplicity here, compliance have based on the previous literature (Falkner et al., 2005; Versluis, 2007; Zhelyazkova & Thomann, 2021b) been separated into two relating branches, the division of legal compliance and practical compliance. The notion of legal compliance has been more reoccurring in the current context of this paper as well as in the relating implementation literature in general. As has been stated throughout this chapter, the aspect of legal compliance has traditionally been of greater scholarly interest than practical compliance which consequently has led to authors loosely defining legal compliance as just 'compliance'. To minimise the risk of confusion, the subsequent part of this chapter refers to legal compliance when describing the concept of compliance if not anything else is stated.

The EU implementation studies' profound connection with the legal compliance concept can be associated with the extensive interest in evaluating MS conformity at the transposition stage. Member states legal (non-) compliance with EU directives has been investigated through different methodologies, frameworks, and scope. It has for instance been of interest to investigate how specific member states comply with certain directives (Bursens, 2002; Börzel & Buzogány, 2019; Leiber, 2007). Falkner et al. (2005) made an original stance in the EU compliance literature through their comprehensive study. The authors conducted an immense in-depth study regarding the effects of voluntaristic and soft EU policies in the member states,

through their book ‘Complying with Europe- EU Harmonisation and Soft Law in the Member States’. The range consists of ninety cases and is examined across various EU directives. The study is argued amongst scholars (Treib, 2014; Zhelyazkova & Thomann, 2021a) to be one of the most extensive studies in the field of compliance studies. The study is further known for developing the ‘world of compliance’ typology.

The world of compliance typology refers to the notion that member states' variations in (non-) legal compliance to EU policy can be explained by their association with the different distinguished ‘worlds’. The authors established three different ideal-typical patterns of “(…) how member states handle the duty of complying with EU law” (Falkner et al., 2005:320). These ideal types, also referred to as ‘worlds of compliance’, are established by differing weights of culture, political and administrative aspects relating to the implementation process of directives (Falkner et al., 2005).

2.2.1 Moving beyond compliance

Some prominent and relating assumptions can be made considering the overview of EU implementation studies that hitherto has been presented in the current chapter of this thesis. First, the transposition stage of the EU policy implementation process has gained the most scholarly interest. Leading to the second notion, that the concept of legal compliance has been a given aspect in examining policy implementation at the transposition stage. Researchers (Schmidt, 2008; Thomann, 2015; Thomann & Sager, 2017; Treib, 2014; Versluis, 2007; Zhelyazkova & Thomann, 2021b) have come to recognise and critique the domination of legal conformance with EU policy in the field of implementation studies.

The criticism is driven by the assumption that EU implementation studies have in this manner not sufficiently covered important aspects such as patterns of diversity, practical implementation, and enforcement. It is stressed that the mere focus on legal compliance has overlooked the importance of examining the reasoning and motivations behind national actors implementing EU policy. Moreover, through this scholarly criticism a new wave of implementation studies emerged, a movement which here can be referred to as ‘moving beyond compliance’. The movement has an aimed focus on examining the diversity of actors that operate in the recognised multilevel governance system (MLG) of the EU. Specifically, to present “(...) new evidence on the diversity of domestic responses to EU policy, the roles and

motivations of actors implementing EU policy, and the 'black box' of EU law in action and its enforcement" (Thomann & Sager, 2017:1253).

Thomann's (2015) conceptualisation of domestic actors customising EU policy to fit their domestic conditions, is a framework that departs from traditional implementation studies and thus can be recognised to be part of the 'moving beyond compliance' research movement. The concept does not consider the notion of legal compliance but instead investigates the aspect of member states' room of adjustment regarding transposed EU rules. Even if member states are legally obliged to comply with EU rules, "(…) they can customise EU Directives to a considerable extent in order to adjust them to domestic contexts" (Zhelyazkova & Thomann, 2021b:4). Hence, Thomann (2015) established concept of customisation moves beyond the perspective of investigating various degrees of (non-) compliance and instead sheds light on how member states manage the given leeway of directives to change the conditions of EU policy to fit their domestic preferences. Thomann (2015) is one instance of scholars departing from the traditional perspective on examining the domestic implementation of EU directives, but further the most essential one for the purpose of this study. The subsequent part of this chapter is therefore devoted to explaining the concept of customisation more in-depth such as its origin, scope, and effect on the implementation field of study, and to illustrate how and why it is adopted for the purpose of this thesis.

2.3 Customising Europe

The 'moving beyond compliance movement', illustrates a direct instance in a shift of focus amongst EU integration scholars. Thomann (2015) introduction of the novel concept customisation is formed as a response to the absence of more 'fine-grained' literature concerning member states' strategies to implement EU policies. Most of the directives formulated by the EU in the diverse policy sectors are characterised as ambiguous (Thomann, 2015) creating a regulatory leeway when the member states are in the process of transposing the concerned issues to domestic law. It is further stressed that merely investigating if member states have sufficiently complied with EU rules when transposing policy to domestic law, leaves out important instances about the reasoning behind how policy is adopted in the various member states. These instances can illustrate valuable contribution to the field of implementation studies to what motives and patterns the different EU member states constitutes. In turn, these detected

patterns can be considered necessary both when evaluating the transposition phase of EU policy implementation as well as the implementation process at large.

Three notions of measuring customisation are of primary interest to present here. First, customisation is regarded as a concept of vertical regulatory change, operating regardless of (non-) compliance. Second, customisation is examined by both positive and negative integration i.e., the preferences of member states' strategies to practically implement EU law can "(…) allow for different directions of change" (Thomann, 2019:23). Third, the concept is directly associated with research conducted in regulatory policy output, which is the main source of inspiration when formulating the two dimensions of customised change (density & intensity) (Thomann, 2019).

In essence, the established dimensions used in regulatory policy output literature (Adam et al. 2015; Bauer and Knill 2014; Schaffrin et al., 2015) to measure changes in regulatory policies, are further adopted and developed by the customisation concept. According to the school of regulatory output, the changes can be examined by the dimensions of density (number of rules) and their intensity (restrictiveness of the rules). The customisation literature (Thomann, 2015 & 2019) conceptually defines density as the change in amount of regulation that MS has created in response to EU directive. This change (customisation) can be measured by counting the number of rules (policies/ and or instrument) that either has been added or removed when the EU directive is transposed to domestic level.

According to the concept, more density implicates that MS has added a number of rules (policies/ and or instrument) when compared to the specific EU directive. On the contrary, less density refers to the notion that a number of rules (policies/ and or instruments) of the EU directive have been removed when transposed to the domestic level. (Thomann, 2019:32). The second dimension of intensity is in the customisation literature (Thomann, 2015 & 2019) conceptually defined as the change in "substantial restrictiveness" of the EU directive when transposed domestically (Thomann, 2019:33). This dimension is concerned with outlining the change of content in EU policy when transposed by MS. The change of content in the EU directive can either gain added restrictiveness or removal of restrictiveness when transposed by the MS. It is argued in the customisation literature that more restrictiveness is often applied when MS "(…) seek to minimize certain behaviors, resources or services, or prescribe

requirements that considerably limit individual freedom, as compared to EU provision" (Thomann, 2019:33).

It is emphasised (Thomann, 2015 & 2019) that the two dimensions of density and intensity are often interrelated when measuring customisation i.e., generally more customised density correlates with more intensity. However, it is stated that the two dimensions should be examined separately since they can take different shapes of forms when the EU directive is domestically transposed. It stressed (Thomann & Zhelyazkova, 2017) that it is not sufficient to only examine one of the two dimensions since it does not illustrate satisfactory information to determine customisation if evaluated alone (Thomann, 2019; Thomann & Zhelyazkova, 2017). A Member State can according to the concept customise the density of an EU directive but that does not necessarily imply that there will be any change in intensity or vice versa. Hence, the customisation index is built around measuring "(…) degrees to which the domestic regulations complement an EU rule with more or stricter, or less or more lenient rules than required" (Thomann, 2019:32).

The customisation concept of EU policy can be perceived as the 'missing link' (Thomann & Zhelyazkova, 2021b) between what is referred to as legal compliance and practical compliance (Thomann & Zhelyazkova, 2021b). In essence, legal compliance capture to what degree member states have correctly legally transposed the EU directive to domestic law. Customisation, still concerned with the transposition stage of the implementation process, diverge from the legal compliance aspect when investigating the fine-grained patterns which can be illustrated in how member states change the directive to suit their domestic interest and capacities. Practical compliance, in turn, is concerned with policy in action rather than policy by the book; on how the domestically targeted groups and relevant administrations practically apply the directive (which also can be referred to as the application stage as has been outlined in this chapter throughout) (Treib, 2014; Versluis, 2007).

2.3. 1 Expanding the concept of customisation

The relatively novel concept of customisation (Thomann, 2015) has been an active force in challenging the traditional discourse of EU implementation studies, by moving beyond the notion of legal compliance while focusing on the different patterns that lead to variations of transposing EU law. The relating literature that has been produced (Thomann, 2015 & 2019; Thomann & Zhelyazkova, 2017; Zhelyazkova & Thomann, 2021a & 2021b). have had an equal

narrative in aim and execution. The complete set of customisation literature has adopted a common methodological framework and choice of research design. The studies have been of quantitative character with the approach of descriptive and/or explorative means (Thomann, 2015 & 2019; Thomann & Zhelyazkova, 2017; Zhelyazkova & Thomann, 2021a & 2021b). Hence, common for the relating studies produced in the research area is that they are based on large-N data set, examining the aspect of customisation patterns by developing research across several policy sectors and member states.

Moreover, the aim of the studies that have guided the stated research has further entailed similar characteristics. However, the latest research in line (Zhelyazkova & Thomann, 2021b) is distinguished by a shift of focus that the previous literature in the field has not adopted. The notable difference is that (Zhelyazkova & Thomann, 2021b) connects the customisation concept with the aspect of practical compliance, i.e., what effect the customised patterns at the transposition stage of EU policy implementation have on the subsequent phase of policy in action. The studies prior to (Zhelyazkova & Thomann, 2021b) have had a more subtle aim to illuminate the patterns of diversity amongst member states when transposing EU law to the domestic level, illustrating them in a comprehensive scheme based on measuring customised density and intensity.

By acknowledging the concept's value to the field of EU implementation studies, this thesis takes the opportunity to recognise that the concept has room for development which can add further value to the research area when admitted. What seems to be the current 'Achilles' heel' of prominent customisation literature is the homogenous choice of method and research design, which eventually can be recognised to hamper a more overreaching development of the concept. As has been outlined previously in this chapter, the dominant choice of conducting quantitative studies is not unique in the context of customisation research, but rather a generalisable tendency amongst the whole research area of EU implementation studies. The reasons why can be argued to be several but the authors of customisation stresses that qualitative cases are at greater risk of generating biased and ungeneralisable results (Thomann & Zhelyazkova, 2017).

This is certainly an aspect that should not be neglected when conducting qualitative research, however, the current field of customisation solely consists of quantitative studies which risk other but further as relevant obstacles to produce the most reliable results. Again, referring to the notion of what can be recognised as the 'Achilles' heel' in this context of customisation

literature, the complete set of relating research rests on the notion to illustrate a more fine-grained picture of implementation diversity, exploring the argued extent, reasons, and implications behind the diversity of EU implementation patters. What can be considered ambiguous is to what extent in-depth perspectives can be produced by quantitative customisation research examining large-N data sets. Proceeding in the same line of thought, since the notion of the customisation concept developed as an outlined counterpart to the dominant legal compliance literature, to examine the process of transposing EU law rather than the outcome (degree of compliance), to what extent do the quantitative customisation studies produce results relating to the in-depth reasoning behind the customisation patterns?

The immediate outlook of the current customisation literature presents valuable results to illustrate the different implementation patterns of MS by means of comprehensive data, but the evident and remaining puzzle of the concept is in-depth qualitative studies that explores the reasoning behind the stated patterns, and to answer the scientific question of how and why member states proceed with the outlined patterns.

Hence, this thesis will expand the concept of customisation regarding two remarks. First, customisation will be studied from the qualitative methodological framework which will give rise to new analytical opportunities and results in the field of study, and perhaps most valuable illustrate a more in-depth perspective on the reasoning behind the customisation patterns which is both of value to illuminate various transposing strategies. Second, the study adds an explanatory research design to explain the stated differences detected, which previous research has disregarded due to the descriptive and explorative character.

3. Research Contribution

This dissertation generates several valuable insights into the complete research area of EU implementation studies, and specifically the examined case of Sweden's customised implementation strategy of Article 7 in the 2012 EED. The study adds to the literary movement of 'moving beyond compliance', by investigating the aspect of EU implementation studies while not addressing the various degree of legal compliance. Instead, the study aims to highlight the more fine-grained patterns of how and why MS responds to EU policy in the manner that is proceeded with. Thomann (2015) concept of customisation is by the thesis approach adopted by a different choice of research design and method, simultaneously adding expectations to the concept not previously conducted.

In essence, this single case study investigates customisation by examining single case of one chosen country and one case of EU policy. This is a favourable choice since it generates more in-depth patterns that have not been managed to become obtained by the present quantitative choices of methods and design. Second, the concept of customisation gains an additional explanatory character through the innovative theoretical development for this thesis. The thesis thus both describes how, and then explains why, customisation occurs which has not been done previously, due to the customisations concept rather strict explorative/descriptive character.

The choice of case is beneficial in examining the theoretical framework since the content of the Article 7 in the 2012 EED both entails ambitious requirements for the MS to achieve concurrently as the MS shall introduce a new comprehensive instrument of EEOS. Sweden is chosen as the Member State examined, since the country stood by the decision to not comply with the main policy instrument (EEOS) set out in the Article 7, throughout the whole policy process of 2014-2020 (Broc et al., 2020).

Hence, the dissertation’s innovative theoretical framework in combination with the choice of single cases, contributes to the research area of EU implementation studies by examining in-depth how *and* why MS responds to EU policy in the manner that is proceeded with. This is of value not only for implementation studies, but research interested in the connection between the EU’s set policy and how and by what causes it is being transposed to domestic level. Regardless, if one is interested in MS that is legally compliant with EU policy or not. The study

generates the EU implementation research with a new approach on how to examine the MS transposition of EU policy.

4. Theoretical framework

Policy implementation research within the field of EU studies is indeed broad and has been examined through various perspectives, methods, and theoretical outlooks. By investigating the relating literature for this thesis, it soon became evident that no illuminated theoretical framework could directly be adopted to sufficiently reach the two-fold aim of the study. Instead, the need to develop an innovative theoretical framework arose, that establishes both aspirations with the study of *how* EU policy is customised and the reasoning behind *why* the determined customisation occurred. The developed theoretical framework conferred followingly hence entails two established interrelated dimensions, it is structured by combining the customisation concept investigated by Thomann (2015) with the Europeanisation literature on domestic preferences and beliefs (Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006). The customisation concept is developed to describe how MS adapt EU directives to suit their domestic conditions. When the determination of how MS customise EU directive has been made, the theoretical framework then constitutes expectations related to explaining why the determined customisation occurs. This chapter has an essential position for the complete thesis since the study has a deductive approach to the theory developed (Halperin & Heath, 2017:119).

4.1 The Europeanisation literature takes on domestic preferences & beliefs

As has been presented during the previous chapter, the concept of customisation constitutes a key role in describing *how* member states change (customise) EU policy to suit their domestic conditions. But the remaining puzzle of the equation is to develop a framework that can explain the reasonings to *why* MS customise EU policy in the manner that is proceeded with. The literature on Europeanisation (see also under 'previous research' chapter) has devoted research to examining the change brought by 'Europe'. Scholars within the research field have investigated various topics relating to the effects of European integration. The 'goodness of fit' hypothesis has been widely tested by Europeanisation scholars when investigating the ease of EU policy implementation. The hypothesis refers to the notion that the "(…) ease of adaptation to European policies depends upon the extent to which these fit national policies and institutions" (Mastenbroek & Kaeding, 2006:331).

The goodness of fit hypothesis has met critique since studies (Haverland, 2000) have proven that domestic preferences or beliefs play a more central role when evaluating the matter than strictly focusing on the degree MS institutions and policies 'fit' EU policy. The hypothesis has been regarded amongst scholars to be 'apolitical' overlooking the changing nature of domestic policy variables within the MS (Mastenbroek & Kaeding, 2006)

In the wake of the stated criticism, Europeanisation scholars started to apply the toolbox of institutional theory to explain the varying ease of MS implementation to EU policy. Institutional theory recognises the behaviour of actors is dependent on the institutional conditions they operate in. The ease of EU policy implementation is with this theory explained by the domestic conditions relating to actors and institutions present in the MS at the time of adoption. Rational choice- and sociological institutionalism are two branches of the theory with differing outlooks on the characteristics of the actors and institutions affecting the adoption of implementing EU policy. Rational choice (RC) is concerned with the domestic preferences of the MS, while Sociological Institutionalism (SI) refers to the domestic beliefs of the MS examined. In essence, the two differ in the basic units of social analysis. RC departures from individualism while SI considers the collective.

The rational choice approach centralises around the domestic preferences of the individual actors involved in the decision-making process at the domestic level. Specifically, the individual actors that are of interest to analyse are the ones entitled with "(…) institutional or *de facto* veto power" (Bursens & Deforche, 2008:5). The number of veto players is of further importance since it influences the pace of MS adoption to EU policy. Following the RC rationale, the more veto players the more difficult it is for the MS to adopt EU policy. The veto players are considered 'players' and the formal institutions constitute 'the rules of the game'. Hence, considering the RC approach applied to the Europeanisation literature, the preferences and consensus amongst the veto players explain the MS ease of policy implementation in which the formal institutions set the framework the actors can operate. (Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006).

SI does not consider the individual preferences of actors involved in implementing policy, but rather centralises on the impact of 'change agents' also known as 'norm entrepreneurs'. It is the domestic belief system of the MS that affects the ease of policy implementation. Norm entrepreneurs are the primary actors in changing and shaping the domestic stance towards the

EU policy by persuading the actors of the community to "(…) redefine their interests and identities, engaging them in processes of social learning" (Börzel & Risse, 2003:11). SI applied to the Europeanisation literature generally portrays the norm entrepreneurs as advocates for the European norms. Hence, their presence or absence has a considerable effect on the MS ease of policy implementation.

Two types of norm entrepreneurs are distinguished in the literature, epistemic communities, and Advocacy or principled issue networks. Epistemic communities are described as "(…) networks of actors with an authoritative claim to knowledge and a normative agenda" (Börzel & Risse, 2003:11). Their persuasion and arguments are legitimised by their scientific and/or expert knowledge about the issue of the specific EU policy. Advocacy or principal issue networks are informal organisations that share common beliefs about the policy issue rather than scientific knowledge. The norm entrepreneurs' function through political cultures or other informal institutions presence in the MS created by the dominant belief system. It is through these informal institutions that the norm entrepreneurs can enhance consensus building amongst the domestic actors about the EU policy. Hence, the system of informal institutions forms the basis in which the norm entrepreneurs can persuade and change the domestic belief system to adapt to the European norms. (Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006).

The content of the EU proposal is evidently an essential aspect of both theoretical approaches since it sets the requirements that the MS are obliged to adopt. Bursens & Deforche (2008) further present two additional factors to the two branches of institutional theory applied in the Europeanisation literature. Administrative capacity is mentioned as a factor associated with RC and relates to the resources the MS has before adopting the policy in question e.g., financial resources and expertise. Issue salience is mentioned as an additional factor under SI which refers to "(…) the visibility and the importance of the European issue at stake" (Bursens & Deforche, 2008:7). For instance, if the policy at hand receives major media attention it affects the norms of the domestic system and thus how policy is shaped and perceived by the domestic actors.

Figure 3 illustrates an overview of the different mediated factors presented in relation to RC respectively SI in the Europeanisation literature (Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006).The variables presented in the table are common for the

Europeanisation literature invested in examining MS ease of policy implementation, however, it should be emphasised that there is a variety of different models present in outlining different additional factors, but the followingly are considered the most essential ones for the thesis.

Figure 3: Ease of implementation according to the Europeanisation literature

Approach	**RC**	**SI**
Dependent Variable	Ease of implementation	Ease of implementation
Independent Variable	Content of the policy proposal	Content of the policy proposal
	Veto Players	Norm Entrepreneurs
	Facilitating formal institutions	Co-operative informal institutions
	Administrative capacity	Issue salience

Source: Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006.

4.2 Theory-development, linking Customisation with Rational Choice-and Sociological institutionalism

The theoretical framework developed in this thesis combines the concept of customisation with RC and SI applied in the Europeanisation literature. The combination is necessary since the aim of the study is to describe *how* and then explain *why* MS customise EU policy in the manner

they proceed with. The theoretical framework follows the logic of the Study's aim and is divided into two sections of operationalisation. The first relating to the theoretical implications aiming to describe how policy is customised and the second aiming at explaining the causes to why the determined customisation occurs. The hypothesis formulated by Thomann (2015) and the Europeanisation literature on RC and SI (Bursens & Deforche, 2008; Börzel & Risse, 2003; Mastenbroek & Kaeding, 2006) have been tailored to reach the aim of the study.

The first theoretical expectations concern *how* Member States customise EU policies. MS are expected to use the ambiguity in EU policy regarding the stated requirements on which methods should be adopted to comply with the policy. It is expected that the customisation varies depending on the content of the EU policy, relating to the adaptation pressure that it generates toward the specific domestic context. Based on this assumption, it is considered that MS customisation of EU policy correlates with the extent to which the content differs from the domestic conditions.

Influenced by Thomann (2015) concept, MS customisation of EU policy is determined by the two interrelated dimensions of density and intensity. The change in *density* refers to the amount of change in regulation that the MS has created in response to EU directive. This change (customisation) is measured by counting the number of rules (policies/ and or instrument) that either has been added or removed when the EU directive is transposed to domestic level. According to the concept, more density implicates that MS has added a number of rules (policies/ and or instrument) when compared to the specific EU directive. On the contrary, less density refers to the notion that a number of rules (policies/ and or instruments) of the EU directive have been removed when transposed to the domestic level. (Thomann, 2019:32). The second dimension of *intensity* is in the customisation literature (Thomann 2015 & 2019) conceptually defined as the change in "substantial restrictiveness" of the EU directive when transposed domestically (Thomann, 2019:33). This dimension is concerned with outlining the change of content in EU policy when transposed by MS. The change of content in the EU directive can either gain added restrictiveness or removal of restrictiveness when transposed by the MS.

In this theory developed, the two dimensions are equally important to determine the MS customised implementation strategy. Most analytical value is considered if the two are separately examined to evaluate the extent customisation has occurred. This operationalisation

is preferred since it is expected that customisation can occur to various extents within the two variables examined. For instance, MS can extensively change the number of rules in their implementation strategy when compared with the content of EU policy but only customise the intensity to a certain extent. How the MS customise EU policy through their implementation strategy is categorised as extensive, to a certain extent, and not extensive, relating to the degree of customisation that can be determined.

The criterion of *extensive* customisation is the notion of MS adding/removing and/or changing the intensity of EU policy considerably when implementing it to domestic context. The criterion *to a certain extent* is fulfilled if it is determined that some change in density and/or intensity in comparison to the EU policy requirements when implemented by the MS. And the third, the criteria of *not extensive* refers to the notion that a limited number of changes in density and/or intensity is noted when comparing the MS implementation strategies with the EU policy.

Figure 4: Describing the extent of how MS customise EU policy

Criteria	**Extensive** adding/removing density and/or changing intensity of the of EU policy considerably when implementing it to domestic context.	**To a certain extent** some change in density and/or intensity in comparison to the EU policy requirements when implemented by the MS.	**Not extensive** a limited number of changes in density and/or intensity is noted when comparing the MS implementation strategies with the EU policy.
Dimensions of Customisation Density			

Intensity			

When the extent of customisation has been described, the theoretical framework turns to the expectations related to explain *why* the customised patterns is determined. The independent variables outlined by RC and SI in chapter 4.1 *Figure 3* are applied to the theoretical expectations in this section of the framework. The theoretical expectations are derived from both approaches of RC and SI.

First, it is expected in accordance with the RC, that *veto players* affect the MS strategies in implementing EU policy. Veto players affect the turn out since they have sufficient institutional or de facto veto power to impact the national formulation of strategy. Their decision-making power is feasible within the set *formal institutional* framework of the MS. The number of veto players active in the process of establishing the strategy are essential since each individual preference is considered valuable in deciding the national direction of implementing EU policy. Based on this assumption, it is further expected that a higher degree of consensus amongst the present veto players will consequently led to a more efficient process in formulating the implementation strategy. The *administrative capacity* of the MS is further considered as a factor affecting the final implementation strategy. It is expected that the preferences of the veto players are shaped by the MS resources in relation to the requirements set out by the EU. This theoretical expectation is based on the notion that more domestic resources available the more opportunity for the MS to customise EU policy based on the veto players preferences.

Second, by referring to the expectations presented in relation to SI, the customised strategy is explained by the *normative entrepreneurs* and by the conditions of *informal institutions* available for the actors to find consensus in and spread awareness. The norm entrepreneurs are the domestic actors who influence the domestic discussion on implementing the policy by persuading the actor's interests and identity. The norm entrepreneurs operate in present informal institutions that advocate the belief system based on common convictions concerning the

specific EU policy. The preferences or absence of the norm entrepreneurs impact the formulation of the final strategy in implementing policy. The norm entrepreneurs in this context can have variations of preferences that they wish to deliver, hence not bound to specific norms as presented in the Europeanisation literature. The common trait for the norm entrepreneurs is that they aim to shape the collective domestic belief system in relation to the EU policy issue, and this procedure occurs externally from the informal set institutions. The factor of issue salience may affect the breakthrough of the norms that the entrepreneurs' advocates and thus have a substantial effect on the final implementation strategy. The more attention it receives the higher the impact of the process in formulating the strategy.

Figure 5: Explaining the determined customisation

Criteria Explaining the determined customisation	**Extensive** the primary explanation behind why the MS proceeded with implementing the policy in the manner it proceeded with	**To a certain extent** valuable in the process but not primary the reason alone to the recognised outcome	**Less to no impact** did not shape the final strategy to any considerable extent
Independent Variables Veto Players (RC) Facilitating formal institutions (RC) Administrative capacity (RC)			

Norm entrepreneurs (SI) Co-operative informal institutions (SI) Issue salience (SI)			

The overall theoretical expectation is that all independent variables, presented from both the RC and SI approaches effect the final turn out of the dependent variable of MS customised implementation strategy. However, it is also considered that the different variables have various amount of impact depending on the issue that is being examined. An analytical categorisation is formulated based on this notion depending on how much the independent variable can be determined to have affected the final strategy. As distinguished under *Figure 4* the same terminologies are being used here *(Figure 5*).

An independent variable is either considered to have had an extensive impact, to a certain extent, or not extensive in relation to the implementation strategy determined. The distinction is based in the empirical findings found in the empirical qualitative data retrieved. Specifically, if an independent variable analysed is determined to have an *extensive impact* on the final implementation strategy it adheres to the criterium of shaping the total process in formulating it, i.e., the primary explanation behind why the MS proceeded with implementing the policy in the manner it proceeded with. If an independent variable is considered to have impacted the formulation of implementation strategy *to a certain extent*, it can be determined that it was a

valuable variable in the process but not primary the reason alone to the recognised outcome. And last, if the variable is determined to have *less to none impact* of the formulation of the strategy it is based on the notion that it did not shape the final strategy to any considerable extent.

5. Method and material

The following chapter sets the blueprint for conducting the research. It illustrates how the research has been conducted by presenting the research design obtained, the method chosen, and the material retrieved. The first part of the chapter outlines the chosen research design, then continues to the reasonings behind the case selection, to the methods and materials that have been obtained. The chapter is concluded with the limitations caused by the choice of action presented, and the ethical considerations that have been taken.

5.1 Research design

This thesis is a qualitative case study. It might be perceived as somewhat irrelevant to address that the thesis is qualitative when admitting that it is of case study design. But not all case studies are qualitative which is argued to be a common misperception in the social science literature (Bryman, 2012:67-68; Halperin & Heath, 2017:215). The distinction between qualitative and quantitative case studies is thus made by the same rationale as any other research design within the social science field i.e., it is determined by the scope of the study in question. The data gathered and analysed for this thesis is considered qualitative, referring to Halperin & Heath (2017) definition of "Qualitative research tends to be based on the discursive analysis of more loosely coded information for just a few cases" (Halperin & Heath, 2017:6).

The study is a case study because it is of interest to examine a single case (one country, Sweden and one EU policy, Article 7 in the 2012 EED), rather than a smaller number of cases (small-N studies), or a larger number of cases (large-N studies) (Bryman, 2012; Halperin & Heath, 2017). The thesis is of qualitative case study design since it was determined as the most relevant choice of approach to reach the aim and the relating research questions. The qualitative case study design generates a more in-depth and detailed insight into the phenomenon investigated, than what is considered possible by adopting any other research design. This characteristic of the research design is of value since the complete thesis is built around the aspiration to generate profound insight to how and why MS respond to EU policy by customisation.

The generalisability ambition of proceeding with the qualitative research design is to present the EU implementation research with a direct instance of how and why MS customise EU policy in the manner that is proceeded with, although the study is centralised on one country (Sweden)

and one policy (Article 7 in the 2012 EED), the generalisability potential emerges through the study's ambition in demonstrating the impact of domestical process on transposing EU policy.

Part of the choice in research design was further process tracing. It is a design often employed in research aiming at establishing causal relations during a historical period of time (Halperin & Heath, 2017:248; Persson, 2021). Although this thesis can not necessarily be determined to investigate a historical process, the process tracing is established when examining the motives and reasoning that led to the final Swedish implementation strategy of Article 7 in the 2012 EED. Specifically, the aspect of the empirical findings of the study that relates to the second research question of the study in why the determined customisation occurred, is process tracing adopted as a design to structure the process that subsequently led to the Swedish implementation strategy. Hence, the material obtained in the second part of the analysis have been structured by tracing "(…) the sequence of events constituting a process to establish the casual relations among them and identify the underlaying causal mechanisms that produce the outcome they are assumed to produce" (Halperin & Heath, 2017:248).

5.2 Case selection

Another important aspect to highlight in this chapter of the thesis is the case selection, based on the notion that as a researcher "You must provide a rationale for why the specific case or set of cases you selected, from among all those in the larger population, were chosen" (Halperin & Heath, 2017:154). The selections made for this thesis have been realised due to the study's two-folded aim, in first describing how MS customise EU policy and then, to explain why the determined customisation occurred. Article 7 of the 2012 EED was the first of its kind. It entailed ambitious requirements for the MS to achieve concurrently as the MS were obliged to introduce a new comprehensive instrument of EEOS under Article 7 (1). However, at the MS were allowed under Article 7 (9) to implement alternative policy measures other than EEOS. Article 7 of the 2012 EED is hence an EU policy which contains a favourable mix of requirements with ambiguity when aiming to investigate the phenomenon of customisation. Furthermore, the whole directive of the 2012 EED was important in enhancing the MS to reach the set 20% energy efficiency improvement by the 20-20-20 target which further makes its content of interest to evaluate how it was responded at domestic level.

Sweden was selected as the MS to become investigated in the context since it was one of the countries that early on decided to employ the established leeway presented under Article 7 (9), and continuously proceed with not implementing the policy instrument of EEOS throughout the policy process of 2014-2020 (Broc et al., 2020).

5.3 Methods & Materials

After the research design and case selection has been established, it needs to be determined by the next step how the empirical data was distinguished and retrieved for the thesis. The methodological toolbox for this thesis contains a mix of textual content analysis with expert interviews.

5.3.1 Content Textual analysis

The choice of textual analysis was based on the notion that the information for the aim of the study would be retrieved to a considerable extent through text, to involve the "(…) systematic analysis of textual information" (Halperin & Heath, 2017: 345). Halperin & Heath (2017) describe that there are mainly two approaches to carrying out a content textual analysis in social science research, adopting a qualitative or quantitative approach to the content analysed, whereas the former is applied in this thesis. The choice of adopting the qualitative content textual analysis as a methodological approach follows the same rationale as was being presented under 'research design'. The study aims to unfold the motives and reasoning behind the phenomena investigated. The qualitative method of content text analysis centralises to generate empirical findings by reading "(…) in-between the lines" (Halperin & Heath, 2017:346). The meanings behind the texts analysed are dependent on the context in which they are produced and are analysed by the variables that the researcher has decided on beforehand (Halperin & Heath, 2017). Again, since the thesis is deductive, the variables in which are guiding the analysis of the text is determined by the theoretical framework of the thesis.

The material that was obtained for the textual analysis is referred to in the literature as 'official documents' (Halperin & Heath, 2017:345). The material constituted a wide range in the category. Government reports published by governmental agencies, official minutes from consultation meetings with relating stakeholders, administrative records on the governmental official proceedings, and official debates from the parliament, are the primary sources of the official documents obtained for the thesis. These types of obtained material assist the thesis in

evaluating the theoretical expectations presented by the RC approach, i.e., the extent of impact that the presented formal independent variables had on the final Swedish implementation strategy.

The material was largely obtained by making an official order through the National Archives (*Swe*: Riksarktivet), requesting the associated official material that could not be found at the time of the research on the official websites. The rest of the material was retrieved from the publications on the Government and the Parliament official websites and was retrieved by searching for related keywords for the study.

5.3.2 Semi-structured expert interviews

Magnusson & Marecek (2015) stresses that there is no fixed model for determining how many participants should be included in research using the method collection of interviews. Instead, it is stated that it depends primarily on the research questions aimed to be fulfilled and shall guide the number of participants included (Magnusson & Marecek, 2015:37). The choice of using a mix of content textual analysis with interviews, is for the interviews to constitute for the information that is either difficult to obtain through text or insights that simply cannot be gathered through text. Insights relating to the theoretical expectations of the SI approach is assumed to be gained through this method.

Two semi-structured interviews were conducted. The choice of participants was based on the reasonings that it would generate the most value for the thesis if information could be obtained by individuals who is considered expert of the matter. The interviews were thus 'expert interviews', meaning that the individuals that participated are considered to have "(…) specialised knowledge or expertise", about the topic that was being investigated (Halperin & Heath, 2017:300).

*Rurik Holmberg***,** the expert participant for interview number 1, was the project leader of the Swedish Energy Agency report 2013:04. The report was requested by the Swedish government on evaluating and suggesting how Sweden were to proceed with implementing Article 7 of the 2012 EED. Furthermore, Mr. Holmberg worked with issues relating to Swedish energy efficiency issues prior to the adaptation of the 2012 EED as well as after. *Fredik von Malmborg*, the expert participant for interview number 2, was the main responsible official at the Swedish Ministry of Enterprise and Innovation for Article 7 of the 2012 EED. Mr. von Malmborg thus

has key insights into how the Ministry worked with the Swedish process of implementing Article 7.

The interviews with the experts were conducted in a semi-structured way (Bryman,2012; Halperin & Heath, 2017). The social science literature (Bryman, 2012; Halperin & Heath, 2017) commonly states that there are three ways of constructing interviews, structured, semi-structured and unstructured. The difference between the three relates in essence to the character of the questions asked, how much room the participants are given to answer in a more or less structured way. An interview guide was formulated in advance before the proceedings with the interviews. The questions were structured to generate the specific information needed, but the interviewee was given "(…) a great deal of leeway in how to reply" (Bryman, 2012:471). Hence, the interview guide was established as the main model when conducting the interviews, but the questions were formulated in a way that invited the participants to speak freely within the set framework.

It is necessary to emphasise in the context that the interview guides were formulated to the specific participant. Hence, two interview guides were established, one for each interviewee. The reason to why the interview guides were separated was because the interviews had different aims depending on the focus area of the specific expert asked. The interview guides can be found after the references of the thesis under 'Appendix'.

5.4 Ethical considerations

The main ethical considerations have been assessed in relation to the two expert interviews conducted. In addition to the interviews, the thesis has not included any names that were found in the official documents retrieved by national archives. This assessment was based considering the ethical considerations of not having the persons approval of including them in this thesis. This type of assessment did not affect the result since the aim of analysing the texts was its content and not depending on the individuals present at e.g., the consultation meetings evaluated.

The ethical considerations that were being made in relation to the two expert interviews were based on the notions presented in Magnusson & Marecek (2015) as well as the four guidelines published by The Swedish Research Council (Vetenskapsrådet, 2002).

First and foremost, the interviewees were asked to give their consent to participate. This was done through the first initial email contact. At this time, the participants were concurrently informed about the topic of the thesis and how the information obtained from the respectively interviews would be used in the thesis. The email further entailed the information that the participants had the right " (…) to decline to answer any questions, the right to end the interview at any point or not to enter the study at all, and the right to confidentiality and anonymity" (Magnusson & Marecek, 2015:44). In addition to this, the participants were also asked for permission to include their full name in the study in which both Mr. R. Holmberg and Mr. F. von Malmborg approved of.

These points of information and consent from the participants were further repeated at the start of the interviews. These measures of ethical considerations all fulfil the four rules outlined by the Swedish Research Council (2002).

5.5 Limitations

The choice of research design and method presented in this chapter has been assessed as the main approach in completing the dissertation. But the choice that has been made also entails possible limitations to its possibilities, they are important to highlight here before proceeding with the thesis empirical findings and analysis. The relating literature (Bryman, 2012:46; Halperin & Heath, 2017:171-173) states that mainly three criteria for evaluating the conducted research are of essence, reliability, replication, and validity. Depending on the starting point, it can be determined that the following study risks having limitations in all three areas, to various extents.

The single case study design suffers from a common limitation that impacts all of the criteria stated, and it is "(…) how far these findings from one case study may be generalized in other contexts" (Halperin & Heath, 2017:217). Since the study is merely choosing one single case to investigate to reach the aim of the thesis it can be of difficulty to ensure external validity, i.e., to the extent the result of the study can be applicable to other cases and contexts (Halperin & Heath, 2017:214). The thesis is also faced with limitations considering the internal validity as well due to the choice of research design and method. This argument is based on the notion that the thesis is strictly qualitative in design which evidently entails the limitations of the study may have reached other analytical insights and conclusions if it was e.g., conducted in a

quantitative fashion. Furthermore, the study could ensure more validity if it was adopting a comparative case study design for example by examining the phenomenon in two MS or comparing the phenomenon on sub-national level between two regions in one Member State.

The criteria of reliability and replications refer to similar limitations since the criteria of the two are akin. Reliability "(…) the extent to which a measurement produces the same results on repeated trials" (Halperin & Heath, 2017:458), due to the study's qualitative measure i.e., the findings have been analysed based on loosely coded variables, it might affect the reliability since there is extensive leeway open for interpretation of the empirical findings. Furthermore, the reliability is affected by the fact that it was nearly a decade ago since the requirements of the 2012 EED became adopted. The interviews have hence not been conducted in correlation with the contemporary events of the article.

Concerning the criteria of replicability, if future research were to conduct the same exact research and result in the same conclusions, can be of difficulty to ensure. Again, relating to the qualitative character of the study whereas the primary limitation here is how the empirical findings are evaluated based on the theoretical framework. On a last note, the overall limitations of the study can be determined to be its scope. More conducted interviews and more analysis of textual content would increase the validity of the study, and possibilities relating to reliability and replications.

6. Article 7 of the 2012 EED & the Swedish Strategy

The first European energy and climate package was agreed upon amongst EU leaders in 2007, which later has become known as the 20-20-20 target (European Commission, 2022a). The package entailed the requirement that MS had to achieve a 20% cut in greenhouse gas emissions (from 1990 levels), 20% of EU energy from renewables and 20% improvement in energy efficiency, by the year of 2020 (European Commission, 2022b). The package became enacted in EU legislation in 2009. To enhance the MS to achieve the stated energy efficiency improvement by the year of 2020, the Energy Efficiency Directive (EED) was adopted on the 4th of December 2012. The MS had less than two years to fully transpose the directive to domestic contexts by the 5th of June 2014. (European Commission, 2022b).

The EED laid out various requirements in achieving the stated 20% energy efficiency improvement. Article 7 played particular importance of increasing the energy efficiency levels by the EU end-users. Article 7 of the EED establish the requirement that the MS needs to achieve an annual reduction of 1.5% in national energy sales within the policy period of 2014-2020. The national energy sales refer to the "(…) final customers of all energy distributors or all retail energy sales companies by volume" (Directive 2012/27/EU, Article 7 (1)).

To reach the annual reduction in energy sales, MS were required under Article 7 (1) to adopt Energy Efficiency Obligation Schemes (EEOS). EEOS are described as "(…) a legislative mechanism that places requirements on 'Obligated Parties' (OPs) to meet quantitative energy savings targets across their customer portfolio" (European Bank for Reconstruction and Development & the Energy Community Secretariat, 2019:1). The scheme is structured by each individual MS by what measures the OPs must deliver the required energy efficiency to the final consumers. OPs can for instance be energy sales companies', energy distributors and/or transport fuel retailers, in which is also decided by the individual MS. (European Bank for Reconstruction and Development & the Energy Community Secretariat, 2019:1).

White certificates are an energy efficiency system that often is applied in EEOS. The white certificates are used as a commodity in which their price is regulated by the supply and demand of the market. White certificates are in EEOS obtained to the chosen OPs when they have reached their specific requirements set out by the Scheme. The OPs need to hold a certain number of certificates corresponding to the stated requirements. It can be compared to the

equivalent of green certificates found on the EU market. The energy companies must produce a certain amount of renewable energy from their total sales to hold the green certificates. In the same manner, the idea behind white certificates is that the companies are granted certificates corresponding to the energy efficiency that they have achieved amongst the final consumers. (Holmberg, 2017; Energimyndigheten, 2010; Energieffektiviseringsföretagen, 2022).

Article 7 of the EED includes 12 paragraphs where paragraph 1 to paragraph 8 relates solely to the implementation of EEOS. EEOS are thus presented as the primary policy measures for the MS to adopt to reach the requirement set out in Article 7. However, the ambiguity of the Article's content becomes evident when recognising what paragraph 9 entails. According to Article 7 (9), MS may set up alternative policy measures alone, or combined with EEOS to reach the yearly requirement of energy savings outlined in Article 7. These alternative measures must be met by the criteria formulated in paragraphs 10 and 11 under Article 7, and result in equivalence of the energy savings expected by EEOS. *Figure 6* illustrates the policy measures that are stated under Article 7 (9) that MS may implement as an alternative to, or combined with, EEOS. Hence, the content of Article 7 states on the one hand, under paragraph 1, that each MS are obliged to set up an EEOS to meet the requirements, but on the other, paragraph 9 is presented which generates the MS with a considerable leeway of opportunities in establishing any policy measure of their liking to fulfil the energy efficiency target of the Article. (Directive 2012/27/EU).

Figure 6: Alternative Measures outlined under Article 7 (9)

Alternative Measures Article 7 (9)	A) Energy or CO2 taxes
	B) Financing schemes and instruments or fiscal incentives
	C) Regulations or voluntary agreements
	D) Standards and norms
	E) Energy labelling schemes
	F) Training and education, including energy advisory programmes

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Broc et al. (2020) examined the different policy measures that the MS had adopted to implement Article 7 in 2012 EED. Their findings (*Figure 7*) indicate that by 2019 were only four MS using EEOS alone, twelve MS were combining alternative measure with EEOS, and remaining twelve MS were using alternative measures alone. Sweden, as seen in the figure, was one of the MS that chose to implement alternative measures alone.

Figure 7: Completely retrieved from Broc et al. (2020), illustrating the MS choice of implementing Article 7

Figure 1. Choices of the Member States to answer EED Article 7 for the obligation period 2014-2020.

MS were required to submit a Memorandum in December 2013, outlining their intended national plans on implementing Article 7 of the Directive. The MS general plan in implementing the whole directive had to be provided to the EU by April 2014, referred to as the National Energy Efficiency Actions Plans (NEEAP). In accordance with Article 24 (2) of Directive 2012/27/EU, MS are obliged to every three years submit NEEAP. The NEEAP can in essence be viewed upon as the official report that the MS need submit to the EC in outlining how they intend to comply with the articles of the EED.

6.1 The Swedish strategy

Sweden's 2014 NEEAP is essential for this thesis. The NEEAP outlines Sweden's official strategy submitted to the EC on implementing Article 7 of the 2012 EED. Based on the NEEAP submitted by Sweden in April 2014, it can be determined that Sweden's greatest customisation of the policy content of Article 7, relates to the methodological approach on how it was decided that article 7 was to be implemented. Sweden chooses not to comply with the main policy measure presented under Article (1) i.e., to introduce EEOS to the Swedish energy system. Instead, the leeway of Article 7 (9) is used to adopt alternative measures alone to meet the stated target of the article. The Swedish government declares that alternative instruments are the primary choice for Sweden in achieving the target of Article 7.

The Swedish NEEAP refers to the previously submitted Memorandum in describing the country's choice of the implementation strategy. The Swedish Memorandum (2013) states the following: "Sweden does not intend to introduce an obligation scheme for energy savings to achieve the cumulative energy saving required pursuant to Article 7 by 31 December 2020. Sweden intends instead to achieve the target through the use of other instruments pursuant to the scope provided for under Article 7(9)" (Government Offices of Sweden, 2013:5). Energy and carbon dioxide taxes are presented as the main Swedish policy measures, but the Swedish energy efficiency portfolio is further described as "(…) very broad and includes general economic instruments" (the Swedish NEEAP,2014:19) The policy measures in *Figure 8* are the ones that are formulated in addition to the energy and carbon dioxide taxes. The establishment of an EEOS is argued to not be beneficial for the Swedish domestic conditions based on the argument that it would not "(…) promote more efficient energy usage in Sweden in a more cost-effective way" (Government Offices of Sweden, 2013:5), than what is argued to already being addressed by other energy policy instruments implemented before the adoption of the 2012 EED.

Figure 8: Sweden's Alternative Measures

A) Municipal energy and climate advice,
B) Support for energy efficiency in municipalities and county councils,
C) Regional climate and energy strategies,
E) Energy audit checks, Programme for energy efficiency in electricity-intensive industries,
F) Network management in industry,
G) Technology procurement, Information initiatives, and
H) Environmental inspections and inspection guidance

7. Analysis

The following chapter presents the empirical findings of the study by analysing it based on the developed theoretical framework. Since the aim of the study is two-fold, to first describe how Sweden customised its implementation strategy of Article 7, and then explain why the implementation strategy was chosen, the analytical chapter of the dissertation follows the same logic.

7.1 How Sweden Customised Article 7 in the 2012 EED

The first part of the analysis aims to answer the first research question of the thesis; *how did Sweden customise its implementation strategy of Article 7 in the EU energy efficiency directive of 2012?* Article 7 (9) of the 2012 EED gives the MS three options in how they shall reach the requirements set out in the article. The MS may choose between implementing EEOS, combining EEOS with alternative measures, or implementing alternative measures alone. Concurrently, EEOS are presented as the primary policy instrument that MS shall implement under Article 7 (1). (Directive 2012/27/EU).

This evident ambiguity of the policy content affects the direction of the analysis depending on what part of the policy is being examined. The developed theoretical framework for this thesis determines two dimensions that are expected to change when MS implements EU policy. It is the density (the number of rules) and intensity (restrictions) that are expected to become customised when EU policy is adopted at the domestic level. Due to the ambiguity of the requirements about how MS shall implement Article 7, is both the inclusion and exclusion of paragraph 9 analysed when determining the extent of how Sweden customised its strategy in implementing the Article.

According to the first paragraph in Article 7 of the 2012 EED, all MS shall implement EEOS to achieve the stated requirement of an annual reduction of 1.5% in national energy sales within the policy period of 2014-2020 (Directive 2012/27/EU). Most of the complete Article 7 relates to EEOS i.e., the first eight paragraphs describe how it shall be structured and by what means. Sweden, as presented in chapter 4 of this dissertation, chose not to introduce EEOS as the instrument in achieving the set target of Article 7. Sweden is recognised to have changed the density *and* intensity extensively in comparison to the policy content. The outlined

categorisation (*Figure 9*) is based on the actuality that Sweden decides on proceeding with policy instruments other than the ones required in this part of Article 7. Sweden thus chose to implement Article 7 by completely different means than what is required by the first paragraph of the policy content, in this manner Sweden customise the density and intensity of its implementation strategy extensively when compared with the policy content.

Figure 9: Sweden customising Article 7 to a considerable extent

Criteria	**Extensive** adding/removing density and/or changing intensity of the of EU policy considerably when implementing it to domestic context.	**To a certain extent** some change in density and/or intensity in comparison to the EU policy requirements when implemented by the MS.	**Not extensive** a limited number of changes in density and/or intensity is noted when comparing the MS implementation strategies with the EU policy.
Independent Variables			
Density	**X**		
Intensity	**X**		

The analysis takes a different direction in determining how Sweden customised its implementation strategy of Article 7 when the policy content outlined under paragraph 9 is included. As presented, Sweden makes use of the leeway established in paragraph 9 to adopt the method of Alternative Measures alone in achieving the stated target. By considering this

part of the article, is Sweden's customised strategy in implementing Article 7 not as extensive as discussed above. Sweden complies with the options presented in how Article 7 may be implemented by the MS through the inclusion of paragraph 9.

The Swedish implementation strategy includes more specified means of alternative measures than the ones presented under Article 7 (9). Relating this actuality to the theoretical framework of the dissertation it can be determined that both the density and intensity become customised through the Swedish implementation strategy. The customisation is categorised to have occurred to a certain extent (see *Figure 10).* This categorisation is made due to Sweden adding the number of instruments (density) in its strategy in comparation to what is presented in the policy content, the requirements (intensity) have also intensified due to their specific target of domestic groups when compared to what is outlined in the policy content. Neither of the two dimensions is categorised as 'not extensive' since Sweden has added both more instruments and intensified the requirements in the implementation strategy. To categorise the customisation as not extensive would entail that a limited number of changes has occurred which is not the case here. The analysis does not determine Sweden's customisation of the Article as extensive either, because the implementation strategy relating both to customised density and intensity remains within the framework of what is presented in the content of Article 7.

Figure 10: Sweden customising Article 7 to a certain extent

Criteria	**Extensive** adding/removing density and/or changing intensity of the of EU policy considerably when implementing it to domestic context.	**To a certain extent** some change in density and/or intensity in comparison to the EU policy requirements when implemented by the MS.	**Not extensive** a limited number of changes in density and/or intensity is noted when comparing the MS implementation strategies with EU policy
Independent Variables			
Density		**X**	
Intensity		**X**	

How Sweden decided to customise its implementation strategy of Article 7 in the 2012 EED hence depends on what part of the policy content one analyse. This, since the policy content of Article 7 relating to how the MS shall proceed with implementing its requirements, is rather ambiguous. Sweden can be determined to have customised its implementation strategy of Article 7 both *extensively* and *to a certain extent* depending on what part of the policy content is being analysed. What remains evident regardless of the policy content analysed is that

Sweden chooses not to implement the main policy instrument of EEOS but makes use of the established leeway through paragraph 9.

7.2 Why the customisation occurred

The chapter has now reached the second part of the analysis in answering the second research question of the dissertation; *why did the determined customisation occur?* This part of the analysis follows the empirical findings that described how Sweden customised the implementation strategy of Article 7 in the 2012 EED, by explaining the aspects that led to the final Swedish strategy. The theoretical framework for this part of the dissertation entails various independent variables that are expected to affect MS implementation strategies of EU policy. The independent variables are influenced by the Europeanisation literature take on Rational choice (RC) and Sociological institutionalism (SI). The independent variables presented in both branches are believed to explain why MS customise their strategy in the manner they proceed with, but to varying degrees depending on the content of the EU policy examined. This part of the chapter henceforward illuminates all variables stated in the thesis theoretical framework applied to the context of Sweden's customised implementation strategy of Article 7 in the 2012 EED.

Sweden's process in formulating the strategy, is traced for this dissertation to the year 2010. It was one year after the signing of the Lisbon Treaty when the energy and climate package had been enacted into EU law. Sweden had been informed that the EC was planning on formulating a new directive that would enhance the energy efficiency of the MS. The Swedish Energy Agency formulated a report (ER 2010:34) concerning the implementation of White certificates and its possible implications on the Swedish energy system. The report was formulated in response to the general debate about the possibility that the forthcoming directive would include the system of the stated certificates. (Energimyndigheten, 2010).

In the Energy Agency's report from 2010, it was concluded that the instrument of EEOS and white certificates was redundant and costly concerning the Swedish conditions at the time. The report examined the benefits and disadvantages White certificates would constitute for the Swedish energy system. For instance, the report compared the existing EEOS employed in other EU countries to resonate how it may affect Sweden. The main conclusion is drawn in the report mainly rested on two assumptions. First, white certificates were not considered cost-effective

when applied to Sweden. Second, white certificates were not considered to enhance the possibilities of reaching the energy policy aspirations set out to become realised by 2020. It was argued that white certificates were recognised not to promote more energy efficiency in Sweden than what was already being achieved by existing policy measures. (Energimyndigheten, 2010).

Mr. *R. Holmberg* (personal communication, April 21, 2022), who worked at the Energy Agency with formulating the report, mentions the Swedish industry and the housing and service sectors already had existing programmes towards the same aspirations that the white certificates were directed to fulfil. Mr. Holmberg recalls that he expressed himself something along the lines of *"if you have a monthly ticket on the bus, then why should you buy a single ticket"* (*R. Holmberg, personal communication, April 21, 2022*), in a comment made to the media to explain the redundancy of white certificates that the Energy Agency viewed at the time.

The next steps in positioning the Swedish stance on the issue began after the EC officially submitted the proposal of an upcoming directive. The EC published the intended proposal of a new energy efficiency directive in June of 2011 (COM (2011) 370). The proposal, which later resulted in the EU 2012 EED, presented a paragraph relating to EEOS and white certificates. The paragraph contained most of the principles seen in the final 2012 Directive under Article 7 with the main exception that it was here presented under Article 6. It was proposed that MS should structure EEOS to achieve the annual savings equal to 1.5% of their energy sales (COM(2011) 370). White certificates were announced as a possible measure for the MS to adopt within the EEOS. However, as presented in the final directive, it was conferred further in the proposal that MS "may opt to take other measures to achieve energy savings among final customers" (COM(2011) 370:21)

In response to the proposal, an agreement was found between the Swedish Energy Agency and the relating stakeholder's stance on how Sweden was to implement the upcoming directive. The Swedish energy agency in consultation with the Swedish Energy Markets Inspectorate (Swe: Energimarknadsinspektitionen) was commissioned by the Swedish government to evaluate the possible implications of introducing EEOS to the domestic energy system. The Ministry of Enterprise and Innovation (Swe: Näringsdepartementet) was tasked with coordinating the opinions of relating Swedish stakeholders. The report by the energy agency and markets inspectorate (ER 2012:07), emphasises that the Swedish Energy Agency had already made an evaluation of the EEOS (ER 2010:34) and concluded that such a system should not be

introduced in Sweden due to the lack of cost-effectiveness and redundancy compared with existing instruments. (Energimyndigheten, 2012).

The Ministry of Enterprise and Innovation (Swe; Näringsdepartementet) summoned relating Swedish stakeholders to discuss the content of the EC proposal. Over sixty organisations were present at the consultation meeting representing various branches of the Swedish energy sector. The opinions of the organisations were summarised in the official minutes by the Ministry of Enterprise and Innovation *(Figure 11*). Most of the organisations were negative towards the suggestion of implementing EEOS in Sweden, with the expectation of a few being positive. The reasonings to why are varied but among a few, it was argued that the EU proposal for requiring reports of the target OPs was too extensive and too vaguely worded for the Swedish energy companies to comply with (Näringsdepartementet, 2011).

*Figure 11: Stakeholders' opinions on Sweden implementing EEOS in 2011**

The Swedish implementation of EEOS	Pro	Against
Name of organisation: Energimarknadsinspektionen		X
Svensk Fjärrvärme		X
Fastighetsägarna		X
Vattenfall		X
Svensk Energi		X
Plast- och kemiföretagen, Skogsindustrierna, Jernkontoret		X
Energimyndigheten		X

WWF	X	
Energirådgivarna	X	

**Figure 11 illustrates the opinions that were noted in the official minutes from the meeting on the 26th of August 2011 (Näringsdepartmentet, 2011).*

The first initial response about Sweden implementing EEOS depicts a unified position amongst the Energy Agency and the relating stakeholders, based on the briefed opinions at the consultation meeting in combination with the two reports ER:2010:34 and ER:2012:07. It can also be stated that the Swedish Energy Agency has during this time of the process most dominantly impacted the national position on the issue.

When the 2012 EED subsequently became adopted on the 4th of December 2012, the immediate Swedish response constitute the same involvement of actors in impacting Sweden's position towards implementing Article 7. Mr. *F. von Malmborg*, (personal communication, May 3, 2022), who was the main responsible official at the Swedish Ministry of Enterprise and Innovation for Article 7 in the 2012 EED, describe the different roles. He declares that the Energy Agency was tasked with the specific assignment to investigate how Sweden would proceed with implementing Article 7 in the EED. The role of the Ministry of Enterprise and Innovation was to lead and coordinate the work concerning the implementation of all Articles in the EED.

The Swedish Energy Agency presents its evaluation in the ER: 2013:04 report. The Agency stands by the evaluation that the implementation of EEOS is not recommended for the case of Sweden. In line with the previously stated conclusions (ER: 2010:34 & ER: 2012:07) the EEOS is stressed to not be a cost-efficient option for Sweden i.e., the introduction of such a system will not address any market failure that is already being handled by the current regulations adopted. The primary measure that is presented in the report is Energy and CO2 taxes. It is determined that the combination of taxes and other measures will result in the primary effect of Swedish energy efficiency. (Energimyndigheten, 2013).

The other instruments are divided into packages relating to the sector they address in business, the real estate sector, and the municipal sector including county councils. The different packages entail instruments that aim to map, advise, and inform about Swedish energy

efficiency measurements (Energimyndigheten, 2013). Hence, the Swedish Energy Agency does not consider the third option presented under Article 7 (9), to combine EEOS with alternative measures, but strictly chooses the alternative measures alone. Mr. R. Holmberg (personal communication, April 21, 2022), who was the project leader for report 2013:04, describes that during the time of the report, the Agency did not consider any inclusion of EEOS to be valuable, neither combined nor alone. When the Energy Agency formulated its proposal in 2013:04, they were in constant cooperation with domestic actors. Mr. Holmberg stresses that these sorts of corporations were highly valuable in real-time receive insights of relating sectors that Article 7 treated. He further states that the sectors (mostly Industry and Housing and Services) expressed the same stance towards the introduction of EEOS i.e., "*There were doubts about white certificates but not outright opposition" (R. Holmberg, personal communication, April 21, 2022).* Mr. Holmberg recalls that during the Agency's formation of ER 2013:04, it was general misconceptions amongst people that spread relatively fast. The misconceptions, he describes, were related to the white certificates in which *"(...) People often imagined that it was a rigorous instrument - which it was never meant to be. But these misconceptions spread, most of our activity in the debate was about correcting these misconceptions that had emerged to a large extent" (R. Holmberg, personal communication, April 21, 2022).* Accordingly, the Energy Agency received a considerable amount of phone calls and emails from both private persons and stakeholders worried about what the new instrument may entail.

When the energy agency report (2013:04) then was up for discussion amongst the relating stakeholders, it is recognised by the consultation report that there was a continuously united front concerning how Sweden would implement Article 7 (*Figure 12*). The Ministry of Enterprise and Innovation coordinated the consultation meetings and collected referrals relating to the content of the report. Mr. F. von Malmborg, (personal communication, May 3, 2022), who had the main responsibility of gathering the referrals of Article 7 in the EED, describes how the selection of stakeholders was being made. He describes that the Ministry has an arranged list at the Energy unit with relating names of the organisations that are asked to participate regarding Energy issues. The list is updated every sixth month. The stated list forms the basis of the actors chosen to participate in the consultation, however, Mr. F. von Malmborg further emphasises that the list is shaped concerning the specific issue of discussion. Some organisations are added to the list in relation to the specific discussion since they are regarded to be affected by the outcome of the proposal.

Figure 12: Stakeholders' opinions towards the Energy Agency's suggestion on not implementing EEOS in 2013

Energy Agency suggestion on not implementing EEOS	Positive towards the suggestion	Negative towards the suggestion
Name of organisation:		
Naturvårdsverket	X	
Kungliga Tekniska Högskolan	X	
Göteborgs Stad	X	
Swedisol	X	
Statens fastighetsverk	X	
Länsstyrelsen i Stockholms län	X	
Länsstyrelsen i Västra Götaland	X	
Länsstyrelsen Dalarna	X	
Malmö stad	X	
Växjö kommun	X	
Byggmaterialindustrierna	X	
E.ON	X	
EnergiRådgivarna	X	

Hyresgästföreningen	X	
Oberoende elhandlare	X	
Svensk Fjärrvärme	X	
Svensk Ventilation	X	
SABO	X	
VVS företagen	X	
Naturskyddsföreningen		X

(Näringsdepartmentet, 2013)

When asked if the Ministry of Enterprise and Innovation received opinions from actors through more informal means than by consultation meetings and collecting referrals, Mr. F. von Malmborg, (personal communication, May 3, 2022), describes that this was more present relating to Articles 9 to 11 in the 2012 EED, rather than Article 7. The Ministry of Enterprise and Innovation was handed a considerable number of opinions from different interest groups concerning these articles. More consultation meetings were also arranged regarding these articles with the responsible Minister present. He explains that" *(...) they (Article 9 to Article 11) were more centralised around lobbying; it did not occur to a considerable extent concerning Article 7" (F. von Malmborg, personal communication, May 3, 2022).* When asked about why he thinks that Article 9 to 11 received more widespread attention, Mr. von Malmborg answers *" (...) I think that Article 7, was to many quite unknown in which most people did not understand what it entailed" (F. von Malmborg, personal communication, May 3, 2022).*

The immediate Swedish response towards how Article 7 would be implemented at domestic level, was mostly shaped by the Energy Agency's report (2013:04) in combination with the Ministry of Enterprise and Innovation's coordination of relating Stakeholders opinions. As seen in the initial stage of the process, the agreement between the Energy Agency and relating stakeholder's stance on how Sweden would proceed with implementing Article 7, was evident in this stage of the process as well. Furthermore, both experts mention that more informal aspects of the domestic discussion were not present, they both express that there was a widespread unawareness of what Article 7 entailed for the Swedish case.

The Swedish Government submits the government bill on the implementation of the 2012 EED by the 13th of March 2014. The Swedish Government asses that an Alternative Strategy shall be adopted to implement Article 7 of the EED, through Article 7 (9). The reasoning behind the Government assessment is based on the findings published by the Energy Agency reports (ER: 2010:34, ER:2012:07, ER:2013:04) on EEOS and its implications for the Swedish energy system i.e., it is not being cost-effective and considered redundant for the domestic context. The arguments against the EEOS as an instrument for Sweden, are further substantiated by the fact that the EC did not criticise this aspect of the Swedish national plan, which was submitted six months earlier, on the 5th of December 2013. (The Swedish Government, 2014).

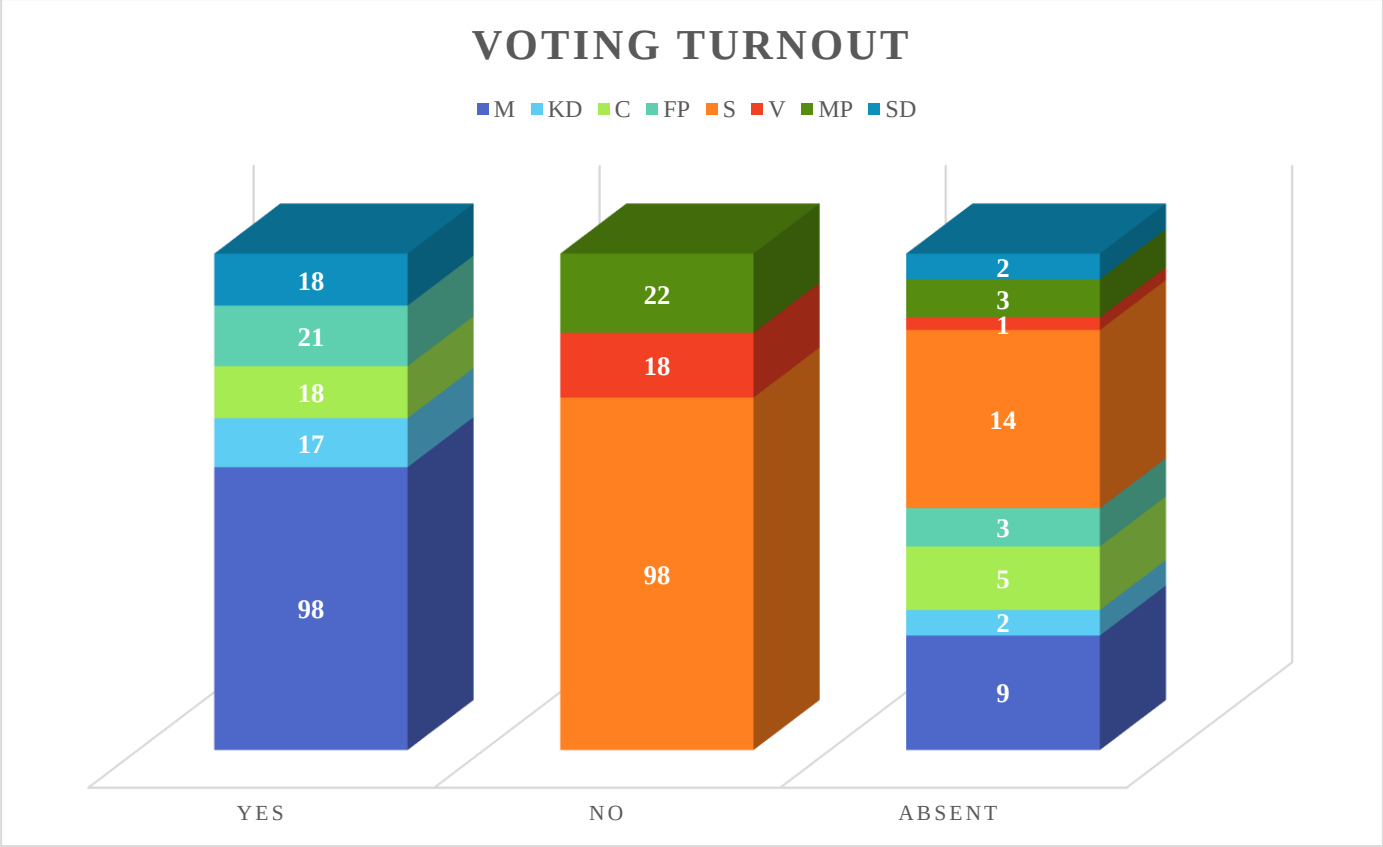
In line with the next step of domestic evaluation, the Government Bill was submitted to the Parliamentary Committee on Industry and Trade (*Swe;* Näringsutskottet). The Committee's task is to assess the Bill and make a proposal on how the Parliament subsequently should decide on the implementation of the Directive. The Parliamentary Committee shares the same assessment as outlined in the Bill on what methods Sweden shall adopt to implement Article 7 and reach its relating target. Accordingly, the Parliamentary Committee suggests that the Parliament should decide on Alternative measures alone in implementing Article 7 of the EED and thereby not introduce the system of EEOS. It is at the stage of the process, when the Governmental Bill with the inclusion of the Parliamentary Committee's suggestion of the matter, is brought to discussion by the relating Chamber of Parliament on the 28th of April 2014. (The Swedish Parliament, 2022a).

It is at this stage of the process when the clearest division of the Swedish national reasonings about implementing Article 7 becomes most evident. Prior to the debate, a total of four counterproposals were submitted by the Parliament Parties Vänstern (*ENG*: Left Party, V), Socialdemokraterna (*ENG:* Swedish Social Democratic Party, S), Sverige Demokraterna (*ENG:* Sweden Democrats, SD), and Miljöpartiet (*ENG:* Swedish Green Party, MP) (Parliament, 2022b).

The division amongst the members of Parliament was further evident in the voting turnout concerning the issue. *Figure 13* illustrates an overview of how the Members of Parliament voted concerning the introduction of EEOS to improve energy efficiency in the Swedish energy sector. The parties that voted ‘yes’ are the ones that were in favor of the Government Bill in not

introducing the system of EEOS. On the contrary, the parties who voted 'no' are the ones who voted against the suggestion of not introducing EEOS. A total of 172 Members of Parliament voted in favour of the Government Bill, and 138 against it. The number in the poles represents the number of votes made by the specific party. (Parliament, 2022b).

Figure 13: The Parliament's Voting turnout



The voting turnout show a clear division amongst the party groups present in the Parliament at the time of the vote. Almost all the parties, except for SD, that voted in favour of choosing the method of alternative measures alone, were part of the governmental coalition. Namely, Moderaterna (*ENG*: Moderate Coalition Party, M), Folkpartiet (*ENG*: The Liberals, FP), Centerpartiet (*ENG*: Center Party, C) and Kristdemokraterna (*ENG*:Christian Democrates, KD). Remaining parties of the Parliament that voted against the proposal were part of the opposition, V, S, and MP. (Valmyndigheten, 2019).

By analysing the Swedish process in formulating the determined implementation strategy of Article 7 in the 2012 EED, it can be noted that the independent variables relating to the approach of RC most sufficiently explain the turnout of the Swedish strategy. All the three independent variables presented by the RC approach are noted to have had an extensive impact on why Sweden chose to customise its implementation strategy in the manner that was proceeded with. The *facilitating formal institutions* are present during all stages of the process. This independent variable is most dominantly seen through the Swedish Energy Agency and the Ministry of Enterprise and Innovations commissioned roles throughout the process. Both governmental bodies have an active and persistent part in formulating the Swedish position on the matter. The formal proceedings have a clear pattern in how the content of Article 7 was domestically addressed. *The veto players*, as expected by the RC approach, had also an extensive impact on the final Swedish strategy. It might seem odd that the veto player's impact is here determined to be of extensive importance in formulating the final strategy since the veto players are only evident in the last phase of the policy process through the parliamentary debate and voting. But as expected by RC, the individual preferences of the veto players entitled to decision-making power, had a substantial impact on the result.

As seen (*Figure 13*) the division between the veto players is quite strict in which it is evident that it is the policy preferences that steer the division based on party coalitions. Furthermore, as seen in the tables there are not many votes that differ between the 'yes' and 'no' poles. This means, that regardless of what evaluations different governmental bodies would produce through the formal procedures, it is the veto players that make the final decisions. But the formal institutions are a necessity in how the veto preferences can operate by the frameworks set by the facilitating formal institutions.

The independent variable of *administrative capacity* can be noted in the resources that the two most dominant governmental bodies i.e., the Energy Agency and the Ministry of Enterprise and Innovation had in evaluating the domestic stance. Specifically, the administrative capacity has had an extensive impact on the formulation of the strategy because without it the Energy Agency would not be able to receive the same amount of information when formulating the reports, or the Ministry of Enterprise and Innovation's coordination with relating stakeholders may not have been made to the same extent. Hence, as expected by the RC approach the three independent variables are interrelated and sufficiently explain why the customisation occurs.

Due to the interrelated character of the independent variables, they are all categorised to the same extent, here recognised to have had *extensive im*pact on the Swedish customised implementation strategy of Article 7 in the 2012 EED.

Figure 14: Explaining the determined customisation.

Criteria Explaining the determined customisation	**Extensive** the primary explanation behind why the MS proceeded with implementing the policy in the manner it proceeded with	**To a certain extent** valuable in the process but not primary the reason alone to the recognised outcome	**Less to no impact** did not shape the final strategy to any considerable extent
Independent Variables Veto Players (RC)	**X**		
Facilitating formal institutions (RC)	**X**		
Administrative capacity (RC)	**X**		
Norm entrepreneurs (SI)			**X**

Co-operative informal institutions (SI)			X
Issue salience (SI)			X

As further can be noted by the distinguished *Figure 14*, the independent variables presented by the approach of SI, are determined by the analysis to not have impacted the Swedish implementation strategy to an any extent. This determination is based on the empirical findings that no informal means could be detected to have impacted the works of neither the Swedish Energy Agency nor the Ministry of Enterprise and Innovation. The empirical findings further depict that during the time of formulating the Swedish position towards implementing Article 7 in the 2012 EED, there was little to no widespread awareness of what the policy entailed. The very condition for *norm entrepreneurs* to have a presence in the domestic discussion towards implementing EU policy assumes that there is an issue that has caused these informal coalitions to find consensus on and spread awareness.

For this case investigated all the three independent variables expected by the SI are absent due to the low awareness of what the policy issue entailed. In essence, no norm entrepreneurs operating through *Co-operative informal institutions* can be determined to have impacted the Swedish strategy based on the empirical findings. In the same manner, the content of Article 7 did not receive sufficient attention relating to declare that the independent variable of *issue salience* would have impacted the customised Swedish strategy to any greater extent.

However, both experts interviewed are united regarding that the knowledge about what EEOS and white certificates entail has developed over the near decade since the 2012 EED was adopted.

Mr. R. Holmberg, (personal communication, April 21, 2022), at the Energy Agency, states: *"Over the years, we have investigated the matter further and our view has changed somewhat towards EEOS and white certificates, we do not say categorically 'no' today. Because the concept has expanded in general during the near decade that has passed. Then, white certificates, were looked at quite narrowly. While nowadays it is perceived as a group of instruments. So, since it is currently perceived as a group of instruments, we are today not as categorical in our assessment, regarding the design of white certificates" (R. Holmberg, personal communication, April 21, 2022).*

And Mr. F. von Malmborg, (personal communication, May 3, 2022), previously an official at the Ministry of Enterprise and innovation declares: "*The question of EEOS and white certificates has changed over time. The government appointed an inquiry into white certificates last autumn. The inquiry was established in part because a revision of the energy efficiency directive is underway, but also because Sweden will not reach its energy efficiency goal by 2030 with the existing instruments. There is a need for new, especially then market-based instruments. So, an inquiry was then appointed to investigate* ***how*** *such a system should be designed, not* ***if*** *such a system should be designed. Then we will see how the negotiations go with amendments to the Directive, where the requirements will be, and how large the requirements will be in terms of EEOS. The Commission proposes to correct the EEOS by 2030 compared to what has already been decided on a few years ago. So, even if it is not clear, the investigation is ongoing for another year, white certificates will likely be introduced as a means of an instrument in Sweden" (F. von Malmborg, personal communication, May 3, 2022)*

The increase in knowledge about the policy instrument of EEOS would certainly have caused more differing opinions on the matter, both through formal and informal means. If a future study were conducted on the repealing EED (s) the division between the explanatory independent variables by the RC and SI approaches would certainly not be as strict as demonstrated by the analysis of the current case.

8. Conclusions

This Master's thesis has examined the issue of MS implementation of EU policy in a more profound manner than previously addressed. The study has been guided by its two-folded aim in first describing *how* MS customise EU policy to suit its domestic conditions, and then explaining the causes of *why* the determined customisation occurs. The aspect of MS implementation strategy has thus been at centre stage for the research to unfold. Article 7 in the 2012 Energy Efficiency Directive (2012/27/EU) has been the chosen case selection for the study in examining the phenomenon. Article 7 of the 2012 EED is recognised as the primary instance to achieve the purpose of the study based on its favourable characteristics of policy content, combined with its essential role for the whole directive of the 2012 EED. Article 7 of the 2012 EED entails, first, the ambitious target that the MS must achieve an annual reduction of 1.5% in national energy sales within the policy period of 2014-2020, and second, Article 7 (1) requires the MS to implement EEOS to reach the stated target, and third, the considerable leeway under Article 7 (9) that MS may instead implement alternative measures other than EEOS. Article 7 hence entails primary policy contents that relate to the customisation concept (Thomann, 2015) expectations that EU's formulated ambiguity in EU policy causes the MS to customise it to various extents. The 2012 EED is further of interest to highlight since it was adopted as the primary measurement that would enhance the MS to reach the 20% target in energy efficiency by 2020, in which Article 7 was one of the key articles. Hence, the chosen Article demonstrates a time when MS had to adapt to the EU's intensified requirements within the policy sector.

Sweden was selected as the case of MS in evaluating its implementation strategy to the content of Article 7. The selection of Sweden was based on the notion that the country early on decided to make use of the leeway outlined under Article 7 (9) and implement alternative measures alone. An approach to the policy content that stuck throughout the complete policy period of 2014-2020.

The findings of the study were steered by the innovative theoretical framework developed for reaching the two-folded aim of the thesis. The first part of the empirical findings relates to the first research question of the study in, how did Sweden customise its implementation strategy

of Article 7 in the EU energy efficiency directive of 2012? Thomann's (2015) concept of customisation was adapted to the research, in which the two dimensions of density (the number of additional rules added or removed) and intensity (the substantial (non-) additional restrictiveness) were expected to describe this part of the thesis.

The findings of the study determine that Sweden customised its implementation strategy both *to a considerable extent* and *to a certain extent*. This notion is based on the ambiguousness of Article 7's Policy content which on the one hand requires MS to implement EEOS under Article 7 (1), but on the other establishes the considerable leeway under Article 7 (9) where the MS may choose alternative measures other than EEOS. Hence, Sweden is recognised to have customised the content of Article 7 to a considerable extent when analysing the first paragraph of the Article since Sweden did not comply with the policy requirement of implementing EEOS. However, due to the leeway of Article 7 (9) Sweden is determined to instead have customised the content of the Article to a certain extent. This assumption is made due to the study's findings that Sweden added both density and intensity through the implementation strategy but remained within the framework of what was feasible through the content of the policy.

The empirical findings then turned to the second aim of the study in explaining why the Swedish customisation of the EU policy by answering the second research question, why did the determined customisation occur? The approaches in the institutional theory of Rational Choice (RC) and Sociological institutionalism (SI) were adapted to the analysis, to outline the domestic aspects of preferences and belief systems in determining the reason behind Sweden's choice of strategy in implementing Article 7 of the 2012 EED. Based on the findings it is determined that the causes behind Sweden's customised implementation strategy correlate extensively with the independent variables put forward by the RC approach. It was found that veto players, the formal institutional settings, and administrative capacity had *the greatest impac*t on the final formulation on the Swedish implementation strategy. The SI approach, on the contrary, is concluded to *not have an extensive* impact on Sweden's choice in implementing the Article. The independent variables of SI in norm entrepreneurs, informal institutions, and issue salience, had a considerable absence in the context due to the domestic unawareness about what Article 7 entailed at the time of evaluation.

The findings of the study hence conclude that the independent variables of RC and SI had a distinctly different impact on the final strategy. This notion is not in complete line with the theoretical expectations of the study since it is assumed that all independent variables of both approaches will impact the final turnout in MS implementation strategy. However, this dissertation has investigated the differing degree of extensive impact of the variables, it is more likely that the division between RC and SI explanations would not be as evident as shown in this study, if less extensive impacts were analysed by the result.

This dissertation has generated the European studies with valuable insights into the research area of how and why MS customise EU policy in the manner that is proceeded with when implementing it at the domestic level. This take is new and has not been done by the same means before, through the development of an innovative theoretical framework that marries the descriptive character of customisation with the explanatory reasonings presented by Rational choice- and sociological institutionalism.

8.1 Future research

For future research interested in examining how and why MS customise EU policy during the transposition stage, it would be of interest to test the innovative theoretical framework in a setting aiming at investigating complete EU directives, instead of only focusing on one article. The strict division between the explanatory variables presented by the RC and SI approaches, would most likely not be as evident as analysed here, if more articles were included in the study. This is based on the study's empirical notion that for the case of the 2012 EED, other articles received far more informal attributes during Sweden's process of formulating the implementation strategy of the Directive. It would further be interesting if future studies were to adopt the developed theoretical framework in evaluating the issue applied to the subsequent EED (s) that were adopted after the first 2012 EED, to compare if the independent variables presented by SI would gain a more prominent role due to the increased awareness about what EEOS entails.

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Appendix

The Interview guides presents the structure of questions relating to each expert interview conducted. The interviews were conducted over Zoom. The language used was Swedish and has been translated for the purpose of the dissertation. Some follow-up questions were added to the interviews due to their semi-structured formation.

Appendix 1. ***Expert Interview guide 1***

Name: Rurik Holmberg, **Date**: 21/4-2022, **Time**: 13:00-13:30

Theme	**Questions**
Introduction	• What do you work with today? • What was your role in formulating ER 2013:04?
The content of ER 2013:04	• What was the main reasonings, according to you, that led to the evaluation of not suggesting EEOS? • Did you, at the Energy Agency, consider the option of combing EEOS with Alternative measures?
The conditions for drafting ER 2013:04	• Was the Energy Agency informed in advance that the 2012 EED was expected to enter into force? • What domestic conditions were found in forming the ER 2013:04, given time and resources? • Was there capacity for involving related stakeholders and organisations in the preparation of the proposal? • Do you think, with your expertise, that the EU could formulate Article 7 of the 2012 EED with less room for adaptation?
The domestic debate and its impact on ER 2013:04	• Was the formation of ER 2013:04 affected by the domestic political debate at the time?
Conclusion	• Is there anything that you would like to add?

Appendix 2. ***Expert Interview guide 2****.*

Name: Fredrik von Malmborg, **Date**: 3/5-2022, **Time**: 13:00-13:28

Theme	Questions
Introduction	• What was your role at the Ministry of Enterprise and Innovation during the time of formulating the Swedish implementation strategy of Article 7 in the 2012 EED? • What do you work with today?
Ministry of Enterprise & Innovation role in formulating the strategy	• Can you describe the Ministry's role in the development of what later led to Sweden's final implementation strategy of Article 7 of the 2012 EED? • What resources were found in producing the referrals? • In addition to the formal procedure, were more informal events organised by the ministry in which the implementation strategy for Article 7 of the 2012 EED was discussed? • On what grounds was it decided which actors would have the opportunity to respond to consultations / participate in consultation meetings regarding Article 7?
The opinions of the Actors	• During the time of the Ministry's evaluation of implementing Article 7 EED, do you consider that the content of the Article created a great deal of debate in society? • Were there clear coalitions between the actors regarding how Sweden would implement Article 7? • Are there any actors that you remember who were specifically positive or against the introduction of EEOS and white certificates?

	• In addition to the opinions received by the Ministry through consultation meetings and referrals, did you also receive the actors' opinion regarding Article 7 through more informal means, such as by telephone calls and e-mails?
Feedback on the Ministry's proceedings	• Were the actors involved in the process generally satisfied with the design regarding their participation in the discussion? • Did you receive opinions from actors who were *not* involved in the discussion?
Conclusion	• Is there anything that you would like to add?