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INTER-ORGANIZATIONAL RELATIONSHIP OF CONSUMER NON-GOVERNMENTAL ORGANIZATION vs ENVIRONMENTAL GOVERNANCE: EXAMPLE OF ENERGY SECTOR IN LATVIA

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ABSTRACT

The paper examines the role of consumer non-governmental organizations in environmental governance in Latvia. It argues that in view of the complexity of environmental problems the role of consumer non-governmental organizations promote the interests of protecting consumers from energy inefficient decision, hazardous products or false advertising. They function through inter-organizational relationship as a set of pressures and incentives that motivate business to improve its environmental performance from one side and shaping policy and programs in order to reach needs of the society through implementing the environment friendly and economically reasonable solutions. The aim of the paper is to investigate inter-organizational relationship (referred to interchange of views) between consumer non-governmental organization and environmental governance as integrated and harmonised governance. The paper examines the environmental governance aspects reflecting theoretical approach described by Baron Adger D.P., Jordan A., Biermann F., Weston B. The consumer non-governmental organizations role of interrelation meaning is revealed by the Dietz T., Ostrom E., Stern P.C. and Young D.R., Wagner A.

The theory of environmental governance determines the key players influencing environmental outcomes and their objectives, the organizations within which they interact, and the expected results of their relationship. Key to different forms of environmental governance, therefore, are the political and economic relationships that organizations embody, and which shape identities, actions, and outcomes.

The paper describes emerging environmental policy implementation planning, action programming and implementation of specific projects in collaboration with consumer non-governmental organizations since consumer organizations play a central role in sustainable development and environmental government initiatives to promote sustainable consumption.

The research methods of the paper are based on case study research method as a source of theoretical insight that tends to embrace a range of research designs that use governance as an exogenous factor in political environment. Conclusion of the paper states the interrelation meaning between consumer non-governmental organizations and environmental governance in the framework of regulation of public utilities commission.

Keywords: environmental governance, non-governmental organizations, consumer organizations, green products, sustainable development, sustainable consumption.

INTRODUCTION

The demand for governance comes from individuals concerned about the quality of the environment. They may express demand in their roles as citizens, consumers, investors, or members of non-governmental organizations. Environmental governance may come

about idea that consumers demand environmentally friendly products or investors show a preference for environmentally friendly choices.

However the environmental governance address problems of the Earth's climate challenges or to continue to solve ecosystem services exists on a large scale. As such the term „environmental governance” have attempt to address wide perspective: global climate change, ecosystem degradation, and the like therefore paper will address energy perspective due to the high aspiration goals agreed in the Paris Agreement in 2016 (147 Parties have ratified the Paris Convention) and furthermore reflects in European Union political and legal framework of the European Commission package “Clean Energy for All Europeans” (European Commission, 2016) that requires from national governments agree with legally binding limits to global temperature rises and commitments on curbing carbon emissions as well as ensure clean energy transition to cut CO2 emissions by at least 40% by 2030 (United Nations, 2016).

Non-governmental organizations involved in environmental governance are highly diverse, including local, national, regional, and international groups with various missions dedicated to environmental protection, sustainable development, poverty alleviation, animal welfare, and other issues. However, non-governmental organizations seek for promoting environmental and economical awareness, campaigning organization, addressing the governments and companies in order to shape shaping policy and programs in order to needs of the society while implementing the environment friendly and economically reasonable solutions.

Theoretical aspect of this paper is targeted towards exploring the links between environmental governance and the role of consumer non-governmental organizations in Latvia in the context of Energy Sector.

The analysis starts from the attempt to realise to which extent role of non-governmental organizations is important in environmental governance.

The aim of the paper is to investigate inter-organizational relationship of consumer non-governmental organization in environmental and environmental governance in order to make it integrated and harmonised.

The tasks of the paper are following:

1. To define and describe environmental governance at the national and EU level;
2. To reveal consumer non-governmental organizations role of inter-organizational relationship;
3. To analyse the role of consumer non-governmental organizations in environmental governance in Latvia in the context of Energy Sector.

The **research methods** based on case study research method as a source of theoretical insight that tend to embrace a range of research designs, that use governance as an exogenous factor in political environment. Case itself is important for what it reveals about the phenomenon and for what it might represent.

For the purposes of this paper, environmental governance includes the issue, existing legal frameworks (legal acts in regulation public utilities sectors in the EU and Latvia) and the consumer conditions (CEER Status Review and Consumer Market Scoreboard 2016).

Description of Environmental Governance: national and EU level

Environmental governance is a complex area that tends to reconcile different social perspectives with regard to the sustainable use of environmental resources as a basis for sustainable development. Environmental challenges are pressing environmental governance arrangements that combine the regulation of market, state and civil society for sustainable development.

Environmental governance field is broad, spanning the various ways that actors and institutional structures both drive and respond to changes in the natural world (Evans, 2012). Environmental governance research focuses on how environmental ideas and impacts are produced, but also on how these systems are sustained, regulated, and transformed at national and European Union (furthermore EU) levels.

Environmental governance by various scholars including D.P.Baron is understood to include the full set of pressures and incentives that motivate business to improve its environmental performance. This includes markets for green products and investments, regulatory relationships, and non-governmental corporate engagement.

To define environmental governance principles requires a theoretical foundation of “governance” concept and to reveal “environmental governance” construct. Environmental governance and related issues have gained significance in the field of applied social sciences. The concept of governance can be defined in a variety of ways and there is no consensus among academics regarding its core elements. Kersbergen K. and Waarden F. define governance as “systems of rule, as the purposive activities of any collectivity, that sustain mechanisms designed to ensure its safety, prosperity, coherence, stability, and continuance”. However, for Biermann F. refers to a “...new forms of regulation that go beyond traditional hierarchical state activity. It usually implies some form of self-regulation by societal actors, private-public cooperation in the solving of societal problems, and new forms of multilevel policy” (Biermann F., 2010).

Most academics recognize governance as multidimensional and highly contested term. Indeed, many expert views go beyond regulation, government and law, they recognize governance for sustainability, global environmental governance, human development and environmental governance (Adger N.W., Jordan A., Biermann F., Weston B., Bollier D.). By Adger N.W. and Jordan A., governance is related with governance of societies in ways that facilitate sustainability and is likely to be a hugely complicated and politically contested undertaking. Also Delmas M.A. and Young O.R. refer to sustainability and environmental governance interrelation “shifting the discourse from the conventional idea of environmental protection to the new – and still contested – idea of sustainable development that intensifies the growing need for governance” (Delmas M.A., Young O.R., 2009). The literature on voluntary approaches to environmental protection has generated a number of new insights for the study of environmental governance:

First, it demonstrates that a theory of environmental governance is inherently political: even in the absence of environmental regulation, corporate environmental behavior is strongly influenced by political forces, perhaps most importantly by the perceived threat of regulation.

Second, it shows that government as well as industry can benefit from devising alternatives to traditional regulation, although the value of voluntary programs to government depends upon the background threat of regulation.

Third, the literature shows that corporate environmental strategy can influence public policy through a variety of channels, some welfare-enhancing and some welfare-reducing; all of these alternative forms of influence need to be understood in order to develop a satisfactory theory of environmental governance (Dietz, Ostrom, Stern, 2003).

From the contemporary environmental challenges involve systems that are intrinsically global (for example, climate change or reduction of emissions) or are tightly linked to global pressures (for example, Volkswagen emissions scandal) and that require governance at levels from the global all the way down to the local to ensure that consumers' cases should be handled on the maximum recovery (European consumer lobby BEUC hailed the cases, saying not enough had been done to protect EU citizens).

There has been surprisingly little crosspollination between groups working on micro- and macro-scale environmental governance. Dietz, Ostrom and Stern identify a **set of factors** that are required for successful environmental governance at any scale:

1. providing information,
2. dealing with conflict,
3. inducing rule compliance,
4. providing infrastructure, and being prepared for change.

The most of these factors have been the subject of considerable economic research, but they have not yet been combined into a full theory of environmental governance, neither in the area of the eco efficiency (like energy efficiency, energy use, alternative energy, etc.). However, environmental governance concept is linked with sustainability (that proposes an integrated concept of economic, social, and environmental planning practices of societies) while it goes beyond measures and regulatory interventions of market responses to keep systems of rule as the purposive activities of any collectivity. In order to recognize environmental governance concept it have to be considered economic, social, nature and governance inter-organizational relationship.

Thus, environmental governance follows the relevant principles of sustainability, being defined by the United Nations documents (Our Common Future, 1987) as "to satisfy the needs of the present while ensuring the possibility of satisfying future needs". Therefore, the concept of sustainability combines aspects of environmental sustainability, social issues like human rights, community engagement, etc. and environmental governance, which shall be considered complementary, not contradictory, promoting economic welfare, social inclusion and nature protection.

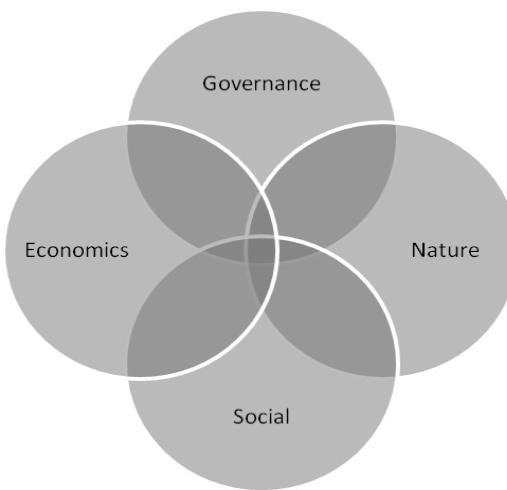


Figure 1. Environmental governance concept
Source: Ermsteins, Lice (2011)

With the global economy and international politics progress, the recent environmental global action plan came into force of the high-aspiration Paris Agreement in 2016. In the recent studies, environmental governance and regulation elements can be identified to provide the basis for establishing constructs for the collective governance of common goods that interacts with the social and environmental spheres and becomes increasingly evident to society (Kapaciuskaite, 2017; Samm, 2017).

The Paris Agreement is based on Conventional realtions in among national countries and requires a common cause to undertake ambitious efforts to combat climate change. The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Additionally, the agreement aims to strengthen the ability of countries to deal with the impacts of climate change. To reach these ambitious goals, appropriate financial flows, a new technology framework and an enhanced capacity building framework will be put in place (United Nations, 2016). The EU has been at the forefront of international efforts towards a global climate deal and building coalition of developed and developing countries in favour of high ambition that shaped the successful outcome of the Paris conference. While in the same time EU has been making environmental awareness and disseminating the climate change programmes adaptation in the national Member States.

The Europe 2020 strategy emphasises smart, sustainable and inclusive growth as a way to overcome the structural weakness in Europe's economy, to improve its competitiveness and productivity and to underpin a sustainable social market economy. Europe 2020 strategy targets on climate change and energy and sets up objectives for climate and energy policy - GHG emissions, share of renewable energy in gross final energy consumption, primary energy consumption and final energy consumption. Due to the Europe 2020 the progress at the EU and Member State levels is assessed with a special

focus on the wider socioeconomic effects of the emerging green economy and transition to low carbon economy (Europe 2020, 2017).

The EU was the first economy to submit its intended contribution to the Paris Agreement. It is already taking steps to implement its target to reduce emissions and setting up ambitious regulations to promote further changes – the European Comission did presented a package of measures (European Commission, 2016) to keep the European Union competitive as the clean energy transition to changing the global energy markets.

In accordance with the package “Clean energy for all Europeans” consumers shall be at the heart of the Energy Union, which means their active involvement in the transition process and, in particular, having in place political framework conditions that ensure affordable energy costs for all parts of our society, including the vulnerable while it also raises concerns about whether the regulatory proposals are specific enough to meet consumer engagement into transition process.

Various experts did emphasise that serious risks and dangers exist, especially if the transition process is too fast or too slow and lacks integrated planning. Both, opportunities and risks have to be considered adequately (Samm, Vidan, 2017). In order to fully benefit from the energy transition (decentralised and flexible nature of energy efficiency and renewables technologies) an increasingly larger part of energy policy and decision-making should be transferred from Member States to local and regional public government levels. Kapaciauskaite research states that stable, credible and adaptive global environmental governance requires the acceptance and involvement of national governments, their bureaucracies, and the growing population of non-state actors (Kapaciauskaite, 2017).

The EU, Member States and local and regional governments, in cooperation with non-governmental organizations can ensure strong public and community involvement that will facilitate energy transfer and make sure it is accelerated and implemented in a coordinated manner that provides the most benefits to consumers and national economies.

Consumer non-governmental organizations role of inter-organizational relationship

Non-governmental organizations (furthermore NGO's) often refer to civil society. Moreover civil society is usually understood as civic or non-state associations, social movements and other non-state associations that represent organisational forms of civil society.

Theoretical explanations for the rise of non-state actors in contemporary governance have evolved significantly (Wagner, 2000). Neoclassical economic theory emphasises the failure of government and the market to efficiently provide public goods as central in the development and role of non-profit associations. In this tradition, civil society organisations develop to either:

1. fulfil demand for public goods left unsatisfied by government,
2. partner with government in the provision of public goods,
3. make public policy demands of government and to ensure accountability in public governance (Young, 2000).

Therefore it is essential to provide analysis how the roles of communities, corporations, NGOs, nation-states, and international agreements, with particular emphasis on the many interesting hybrid forms of governance are possible.

The characteristic of inter-organizational relationship refer to partnership forms among various non-governmental organisations, businesses or various interest associations. This paper uses the concept of relationship as a value neutral term, equivalent with interrelation meaning.

In accordance with Cropper, Ebers, Huxham, and Ring inter-organizational relations, as its subject name suggests, is concerned with relationships between and among organizations. As such organizations can be public, business, or non-profit and the relationships can range from dyadic, involving just two organizations, to multiplicitous, involving huge networks of many organizations. Inter-organizational entities are the manifestations of the existence of inter-organizational relationships. Terms such as partnership, alliance, and network are widely used discursive representations (Cropper, 2008).

As such independent institutions and organisations emerging in the new forms of governance, and thus bypass traditional ways of political influence, makes it a noteworthy phenomenon. In order to clarify the concept of governance in environmental politics requires discussion of various approaches to policy-making.

The focus is on how the concept of environmental governance institutions draws upon or departs from three prominent concepts addressing governance, namely EU framework, organisations and institutions (Pattberg, 2004).

The term partnerships has predominantly referred to profit-making relationships between individuals, but in recent years gained prominence as a more general inter organisational idea, including relations between various transnational actors, international organisations and states. Two events are generally believed to have triggered the transformation from confrontational strategies to those of partnership in the field of environmental politics.

Inter-organizational relationships are described on the basis of dyadic or multilateral data. Typically researchers observe 'values' for the relationships between two or more organizations (e.g. the extent of information exchange, the mechanisms governing the relationship, the power imbalance, or the degree to which the organizations in a relationship have particular attributes in common) (Cropper, 2008).

In more general terms, the concept of partnership refers to four important aspects that apply for local and global co-operations:

First, partnerships have shared goals that are beyond profit-making, thus excluding purely market-coordinated relations or other private interrelations to maximize profit.

Second, partnerships can involve actors from different sectors of society; third, they have institutionalised relationships; and fourth, partnerships engage in rule-making and/or implementation, facilitating outcomes that would not be possible in absence of the specific partnership.

Critical scholars have pointed to the fact that the term partnership represents a policy paradigm based on the assumption of trust, shared benefits, and an underlying win-win situation, concealing the fundamentally different goals and power resources of the actors involved (Pattberg, 2004).

Relationship between NGOs or global interest associations is phenomenon that apply new forms of governance, and thus bypass traditional ways of political influence.

The focus is on how the concept of environmental governance institutions draws upon or departs from three prominent concepts addressing governance, namely

international regimes, organisations and institutions. Partnership between environmental governance and NGOs into global-scale environmental problem solving, policymaking, and implementation remains an important global challenge. Civil society has much more to offer to intergovernmental processes. The very legitimacy of international decisionmaking may depend on NGOs as a way to ensure connectedness to the publics around the world (Gemmil, Bamidele-Izu, 2002). The environmental governance system must facilitate both an expansion of these roles for NGOs and of better processes of participation therefore environmental governance target groups can be identified as municipalities, public administration, business sector, and general public. The core of the environmental governance target groups are non-governmental organizations, mass media, education and science sector.

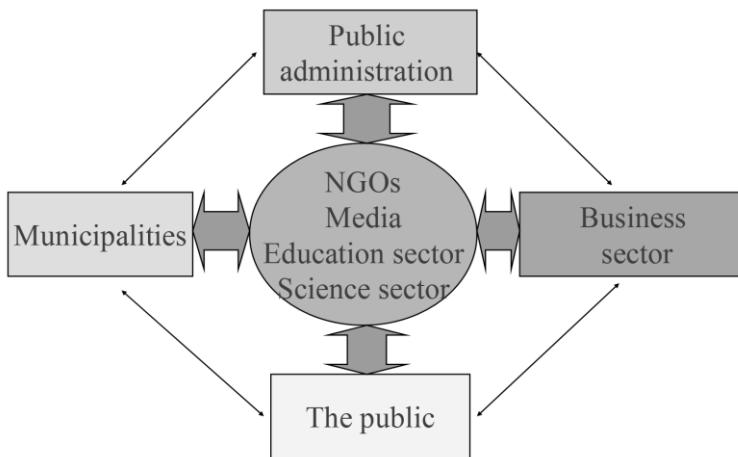


Figure 2. Environmental governance target groups

Source: Ernsteins, Lice (2011)

Civil society organizations take a dominant role in the ascendant model of governance that emphasises networks of semi-autonomous actors and are recognized by various scholars (Young, 2000; Wagner, 2000). Civil society refers to the intermediate sphere between the state and the market that can be characterised by social and political power of households, civil associations and social movements.

The non-governmental organizations (including consumer groups and organizations, other civil society representatives) play an important role in societal development and awareness rising of environmental issues.

Since consumer organizations are part of the civil society organizations that have a role to play in the global effort to reduce greenhouse gas emissions (creating environmental awareness; providing scientific information and monitoring implementation) they become influential in initiatives to mobilize consumer concerns about global warming into more sustainable consumption choices.

National EU Member States, businesses and non-governmental organisations are involved in the development of political initiatives, common commitments that results in consumer education campaigns, new products, labelling and certification initiatives in order to promote consumer concerns about global warming into more sustainable

consumption choices. Climate Change and Energy Efficiency are important issues therefore many consumers have already made close-to-home offers or environmentally friendly choices to ensure resource savings and climate conscious lifestyle.

Consumer non-governmental organizations at national, regional or global are playing an increasingly large role in policy-making, in stimulating international conventions, drafting national legislation or engaging in the work of the public policy. They can be critical regarding environmental policy and its implementation. Cinnamon finds that states and private sector attempts to increase the role and responsibility of civil society and local government in addressing climate change while climate change is recognized as „the biggest challenge facing the European Union and the entire planet over the coming years and decades” (Cinnamon, 2010: 180).

Number of non-state actors influencing the environmental governance system and these actors are diverse and varied in their interests and in the ways they influence the system. Moreover, consumers might be influential by investment decisions and purchasing behaviour, it is recognized by Samm, 2017; Vidan, 2017; Baron and Lyon, 2011 and Kapaciauskaite, 2017. Baron and Lyon underlines that the economics literature traditionally assumed consumers and investors ignore the environmental externalities associated with their market activities, but their behavior appears to have changed in recent years. Consumers can directly reward firms with a record of environmental accomplishment by paying a premium for their products (Baron and Lyon, 2011). Researchers (SammandVidan 2017) conclude that it is important to note that increases in energy efficiency always depend on investment. As a consequence, improved efficiencies do not necessarily lead to a lower cost burden for consumers or industry, as the communication asserts a number of times. They do, of course, always lead to lower energy consumption and therefore have a beneficial effect in terms of climate (SammandVidan, 2017).

To summarize, inter-organizational relationship of environmental governance is evident while it only be guaranteed through a combination of national governance and other modes of governance that reach beyond the nation state. The non-governmental organizations with empowerment from society can take a role in increasingly large spectrum of environmental governance (including energy as one of the public utilities sector).

The role of consumer non-governmental organizations in environmental governance in Latvia: Example of Energy Sector

It should be noted that after 1990 the number of organizations and networks has emerged abruptly in the Baltic Sea Region as it was a response to the geopolitical changes. In particular, the changes in the global environmental governance, when the number of global conventions was adopted after the Rio conference in 1992, influenced the governance in the Baltic Sea Region. For instance, the Baltic 21 is a regional expression of the global Agenda 21 adopted by the United Nations at the Rio conference (Kapaciauskaite, 2017). During the 90ties consumer movement activity, it became apparent that there is a need for closer links between it and the government of the Latvia, as well as for a specific procedure for ensuring regular contacts between legislative and executive bodies.

Latvian development, as part of the EU economic policy, has been affected by the EU's general political guidelines (including EU-2020 strategy) and previously indicated effective developmental models – integrating international governance (the Paris Agreement); National Governance at the executive power (including the regulation by EU); regional governance and local governance (at local municipality level and Regulator work). Inter-organizational relationships in each of the level are constructed by different structures (interrelation intensity, hierarchical relationships) and actors (emerging from different sectors - public, municipality, business, media or education).

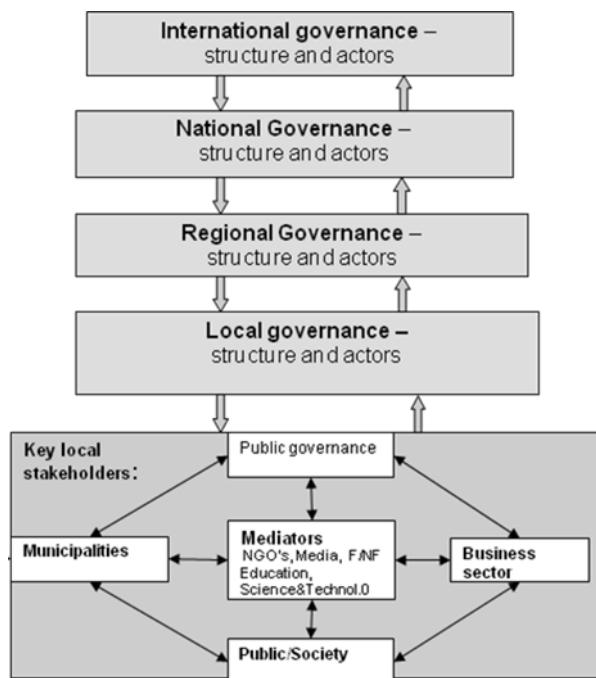


Figure 3. Vertical structure for public environmental governance and stakeholder's participation
Source: Ernsteins (2013)

The emerging consumer non-governmental organizations in Latvia arised from the Nordic Council of Ministers and the Nordic Council internal politics as well as external cooperation with assistance to the Baltic states with organizational form establishment. Furthermore consumer movement develops by support from the both national and European Union funding, programmes, political initiatives and grants, its member fees and other specific projects and campaigns. Furthermore, the consumer movement expand to 10 regional, independent consumer organizations and its actors engage with local municipality level issues.

Due to adopted political and legislative measures at EU level on the climate change established mandatory greenhouse gas emission reductions that is grounded in both - hard law measures and soft law measures at the Member State level. Certainly, one of the key topics for consumer concerns are not only environmental issues but also the resource saving and energy efficiency issues. The demand for the public utilities services raises

questions how to ensure energy efficiency in order to safe environment and purly due to economic reasons. In accordance with Consumer Markets Scoreboard (2016) market performance improved, but more efforts needed in telecoms and energy sector (EC Consumer Markets, 2016). The energy sector scores badly in terms of reported price increases some of the markets (for example, Latvia) where market liberalisation is weak and competition is low.

The emergence of energy efficiency occurs within a context of more encompassing social, political and economic changes. Some of these social and political changes are referred to as shift from government to governance. The idea is pointed out by Bas and Pieter (Bas and Pieter, 2006) that regulatory and control measures provide insufficient deal with environmental problems they were gradually complemented with economic and market-oriented and social or communicative instruments. "... policy making endorsed by consensus and characterised by co-operative relationships between government and private actors" (Bas and Pieter, 2006:247). It has been found that changes in the interrelations between state market and civil society, as environmental issues gradually become a shared responsibility of state bodies, market agencies and civil society representatives as distinct phenomena such as deregulation or liberalisation. In the context of energy sector the monitoring and enforcement arrangements are governed by the relevant ministry and energy regulator in Latvia. The regulator is a referee that ensures engagement of civil society organizations. However interrelations between regulator and civil society refers to formal and standardized procedure.

In order to thoroughly understand the relationship between National Reguatory Authorities (furthermore NRAs) and consumer non-governmental organisations, it is essential to identify the nature of inerrelationion meaning.

According to the responses received in CEER review, is clear: the relation between NRAs and consumer non-governmental organisations is largely based on voluntary initiative (62%, see Figure 4), only 38% interrelations are based on legally required contracts between NRAs and consumer non-governmental organisations. Thus, mutual interest in collaborating with each other appears to be the main driving force in building and maintaining relations between NRAs and consumer non-governmental organisations.



Figure 4. Ratio of voluntary versus legally required inter-organizational relationship

Source: CEER Status Review (2013)

However, to the more specific inter-organizational relationship in the form of working arrangements between NRAs and consumer non-governmental organisations, these have turned out to represent rather straightforward ways of collaboration.

CEER results showed that the same working arrangements prevail regardless of whether contact is mandated by law or voluntary. The investigation revealed that NRAs and consumer organisations most commonly cooperate through the following means: participation in public consultations, regular working group meetings, sharing of research or data (CEER Status Review, 2013).

The Public Utilities Commission (PUC) or the Regulator in Latvia is institutionally and functionally independent, full-fledged, autonomous body governed by public law which carries out regulation of public services in energy, electronic communications, post, municipal waste management and water management sectors in accordance with the law "On Regulators of Public Utilities" and special legal acts of the regulated sectors. It is evident that interrelation meaning in environmental governance as regards engagement of the consumer non-governmental organizations in Latvia is based mainly on **legally required** relationship. As recognized in the CEER Status Review on the involvement of consumer organisations in the regulatory process is recognized by twofold - voluntarily driven and legally required. Moreover, Dietz, Ostrom and Stern identified that successful environmental governance can be identified by set of factors that goes beyond legally required relationship (providing information; dealing with conflict, rule compliance and providing infrastructure, and being prepared for change). CEER report recognizes other interrelation forms for Regulator and consumer non-governmental organisations further collaborations.

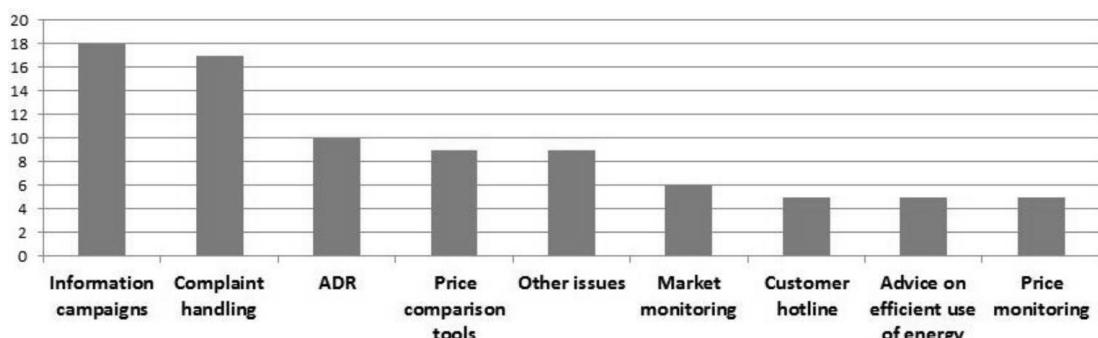


Figure 5. Issues on which NRAs and consumer organisations collaborate

Source: CEER Status Review (2013)

Due to Public Utilities Commission proposed forms of interrelation by law for civil society engagement in Latvia are: **public consultations** and **public hearings** (Public Utilities Commission Infographics, 2015). With each form of participation which the PUC has chosen to achieve an objective specified by law involve society only on a strict and stiff form of interrelation in its activities. A number of factors influence the development impact of NGOs; many of which are determined by the relationship between the NGO sector and the State authorities.

From the theoretical perspective the environmental governance is based on assumption that government is viewing non-governmental organizations not only as agencies that will help them to implement their programs, but also as partners shaping policy and programs in order to needs of the society while implementing the environment friendly and economically reasonable solutions.

While in reality inter-organizational relationship of consumer non-governmental organisations in the decision making process is based on the legally required organizational relationship; consumer non-governmental organisations play more static rather than operational role. The process of public consultations should be encouraged by bringing environmental and consumer non-governmental organizations organizations into the discussion to provide expertise on drafts regarding condition (for example, regarding traders, tariffs, return on capital, etc.) and perspectives analysis and formulation of new ideas in order to develop environmental governance it integrated and harmonised way.

CONCLUSIONS

In order to describe environmental governance it is important to recognize governance as multidimensional and highly contested term. Environmental governance field is broad, spanning the various ways that actors and institutional structures both drive and respond to changes in the contemporary world. Environmental governance research focuses on how environmental ideas and impacts are produced, but also on how these systems are sustained, regulated, and transformed at national and European Union levels.

Reducing greenhouse gas emissions is a central objective of the Europe 2020 strategy and European Commission package “the Clean Energy for all Europeans”. There are various non-governmental organizations whose concerns are focused on various areas such as social issues, health issues, environmental issues and consumer concerns. Consumer non-governmental organizations have a twofold participation meaning in environmental governance: from one hand to ensure environment friendly and from other hand economically reasonable solutions.

Not only governments and the business sector commit to implementing policies that guide consumer in sustainable course but also consumer organizations through EU political initiatives, mechanisms and programmes therefore investigate inter-organizational relationship between consumer non-governmental organization and environmental governance is evidential.

Consumer non-governmental organisations in EU Member States largely based on voluntary initiative (62%), only 38% interrelations is based on legally required contracts between NRAs and consumer non-governmental organisations. Inter-organizational relationships of consumer non-governmental organisations in the decision making process in Latvia are based on the legally required formal interchange of views. Consumer non-governmental organisations play more an oppositional rather than operational part.

It is recommended to create new and effective forms of public consultation that requires regulatory and institutional changes and can be regarded as attempts to adjust existing formal and informal consultation practices. For example, regulatory authorities should develop an advisory bodies (both mandatory and ad hoc groups), giving consumer non-governmental organizations more power and credentials in the regulatory process. It is advised that formal practices might be complemented by more flexible approaches that take into account specific circumstances of consumer non-governmental organizations. For

example, the cooperation between consumer non-governmental organizations and NRA can develop in new forms of inter-organizational relationship like joint capacity building activities, exchange of mutual expertise, collaboration on Alternative Dispute Resolution mechanisms for consumers in Energy sector.

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