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Environmental and Business Lobbying Alliances in Europe Learning from Washington?

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In studying environmental politics, great emphasis is placed by international relations theory on the intergovernmental negotiations at global summits and international organisations, but the impact of societal actors, such as business and consumers, are often overlooked in the day-to-day environmental governance process. This chapter explores the political reality of environmental public policymaking at the European Union institutional level and the mechanisms by which large firms influence the agenda-setting and policy formulation process in Brussels and member states.

The gradual transfer of regulatory functions from member states to the EU institutions in areas such as product quality, health and safety, employment and competition law, and environmental standards have all contributed to the Europeanization of environmental interest groups (Grant, Mathews, and Newell 2000; Sbragia 2000). However, while environmentalists are mobilised at the European level, we recognize that business has a strategic resource advantage in lobbying and takes a prominent role in both formulation and implementation of EU environmental directives (Grant 2000; Jordon 2002). Environmental groups recognize these potential structural problems of influence, but are also aware of their potential agenda-setting functions (Mazey and Richardson 2001). As a result, many are involved in complex multilevel advocacy coalitions with business and other public policy interests (Coen 1998; Sabatier 1998; Young and Wallace 2000).

This chapter contributes to the environmental governance debate by exploring the development of a complex “elite pluralism” that favors business interests in EU policy formulation, and compares this new

business-government relationship with the recent U.S. experience. Mini-case studies will be used in order to explore how the EU environmental interests have adapted to the multilevel lobbying opportunity structure. In so doing, the chapter will illustrate how international business and societal interests have recognized the importance of contestation and compromises in environmental policymaking in the European Union and United States. The result helps explain the harmonization of international public policy styles around policy forums on global issues, such as climate change and the ozone layer (Levy and Newell 2000), but conversely, the chapter also illustrates how cultural and political variance allows for differences in implementation of policy in member states, and market creation and market access issues within Europe (Jordan 2002).

Multilevel European Policy Process: Venue Shopping and Feedback Lobbying

Traditionally, business interest representation in the EU has been analyzed in vertical sector terms, with national trade associations' positions feeding into European federations and European institutions (Greenwood 1997; Greenwood and Aspinwall 1998; Streeck and Schmitter 1991). However, in recent years, complex issue networks have evolved and a desire for more horizontal European interest communities has been expressed by the European Institutions (Coen and Dannreuther 2003; Richardson 2000). This desire was formalized in the recent European Commission Green Paper on Governance, which explicitly called for horizontal alliances between consumers, business and European societal interests (European Commission 2001). The result has been the birth of complex multilevel and institutional advocacy coalitions, ad hoc interest groupings, and EU institutionally led forums. In such a complex environment, no industrial or societal group can lobby in a political vacuum, and firms wishing to lobby directly on environmental issues have had to incorporate consumer demands and green lobby positions into their political strategies (Grant et al. 2000; Young and Wallace 2000).

Why the change in public policy approaches? In policymaking terms, EU institutions, faced with a boom in public interest lobbying in the

1990s, recognized a need for some form of regulated representation, if information flows were to be managed. The Commission's informal solution has been to create policymaking forums and Select Committees (Coen 1997; Richardson 2001) based around policy insiders and policy outsiders (Broscheid and Coen 2003). Business, in turn, has recognized that to access these restricted entry policy forums, it must broaden its political and information legitimacy by being more representative of economic and societal interests. The result has been the explosion in the late 1990s of short-lived and issue-specific political alliances (Coen 1998; Richardson 2001; Webster 2002).

While EU institutions have become significant policy actors, the degree of activity in Brussels is still a function of the policy cycle, with interests focusing on agenda-setting and formulation of EU directives at the European institutions, and the implementation of directives and "day-to-day" regulatory monitoring in the member states. What is more, as we move along the policy cycle and assess different policy areas, we can expect feedback loops between the national and European institutions. For example, in the post-Amsterdam Treaty the European Parliament (EP) has increased its role in revisions of Commission policy proposals and has codecision powers with the Council of Ministers. As a result, civic and social interests have increased their voice in the policy process, and business has found a secondary channel to influence formulation of EU directives. Likewise, agenda-setting and policymaking oscillates between national and European channels, depending on whether the issue is a regulatory, redistributive, or distributive question, and thus how far it impinges on the central questions of sovereignty and subsidiarity.

As a result, we can no longer see Europeanization of business lobbying in terms of "bottom-up" management or "top-down" coordination but as a managed multilevel process with numerous feedback loops and entry points constrained by the size of the firm, lobbying budgets and the nature of the policy area (Coen and Dannreuther 2003). With regard to nature of policy, emphasis on the intergovernmental or multilevel approach is still a function of the type of policy under discussion, that is to say, the degree to which a policy is regulatory, distributive and redistributive (Coen 1998, Richardson 2001, Wallace and Wallace 2000). Hence, on regulatory issues such as Environmental policy, the

European Commission can be seen to be taking a policy lead, but member states show a great reluctance to hand over redistributive powers such as taxation to the supranational level.

Recognizing the difficulty in generalizing business lobbying characteristics, some general trends can be observed since the Single European Act. First, we have observed increases in the direct business lobbying of the European institutions, and particularly at the European Commission as it has expanded its regulatory competencies (Pollack 1997). In fact, the Department of Industry (DTI) estimated that 70 percent of legislation affecting British business now emanates from Brussels (Grant 2000). However, this direct lobbying of the Commission must be seen in the context of a multichannel, multilevel lobbying strategy, as it has become accepted practice by European affairs directors that collective and direct strategies, national and European mobilization are all simultaneously required, if influence is to be maximized in the Brussels arena (Coen 1997, 1998). Moreover the strong showing of national authorities and, to some extent, national trade associations in recent years (Greenwood 2003) can be attributed to the technical standard setting (Egan 2001) and variance in national regulatory monitoring and control, in line with subsidiarity (Coen and Heritier 2000).

Recognizing policy and national variance, this chapter predominantly concentrates on the distributive and regulatory aspects of EU environmental policy. Here the EU has been seen to be proactive in agenda-setting and formulation in the 1990s and has enacted over 700 environmental laws (McCormick 2001). More significantly for the mobilization of interest representation and governance is the fact that all current policymaking must take into account environmental dimensions via the concept of "environmental mainstreaming." The growing importance of the E.U. level can be attributed to a number of factors, such as the rise of the green movement in Western Europe, acceptance of the need for cross border collaboration on environmental problems, and the removal of nontariff barriers in the Single Market (Jones 2001).

However, environmental policymaking at the EU level is not a level playing field, with northern European countries such as Germany and Sweden setting higher environmental standards than Southern countries such as Greece, Portugal, and Spain. Hence we observe a tendency

towards flexible and poor implementation, and recognition of minimum standards (Jordan 2002). This has changed slightly in recent years, as the Commission has attempted to benchmark member states on style and level of implementation and has become more willing to refer member states to the European Court of Justice (ECJ). Moreover, the Commission's 1999 report showed that in 1997, it referred thirty-seven cases to the ECJ and sent sixty-nine reasoned opinions to member states. Nevertheless, by 2001 almost one-third of all infringement proceedings were linked to environmental policy (Jones 2001). Accordingly it has become important that all interested parties attempt to influence the EU institutions in their interpretations and formulation of directives.

As the preceding illustrates, producer lobbies are active and exercise a stronger influence over policy formulation and agendas than traditional consumer and environmental groups (Grant 2000; McCormick 2001). Nevertheless, as the cases in this chapter demonstrate, we see different groups exercising greater influence over different institutions. The key institutions in policy formulation are the Commission, member states and, increasingly, the European Parliament. In most cases the Commission has become the focal point on the environmental directives for both environmental and industrial lobbies. However, we would expect closer ties for the environmental groups to the environmental directorate and closer industrial ties with Enterprise, Single Market, and Competition directorates (Richardson 2001). Likewise, environmental and consumer groups have developed stronger links, than business, to the EP—an institution that has often taken a greener standpoint (Earnshaw and Wood 1999; Sbragia 2000).

The various political lobbies have also experienced different potential alliances with member states; for example, in the emissions case presented next, the Portuguese and Spanish governments aligned with the petroleum and automobile lobbies while the British, Danes, and Germans, in line with the EP and European Commission, aligned with consumer and environmental groups. However, while alliances are often shifting between levels, countries, institutions, and even within institutions, some hard truths about access to the policy process for the key interests are evident within this policy regime.

Changing EU Architecture: The Case of the End of Life Automobile Directive

The European Commission, faced with a European Council resolution on waste management in 1990 and the EP's 1992 recycling proposals, initiated the policy on the End of Life vehicles debate in 1994. Nonetheless, while the Commission is responsible for proposing responses to problems, it has never had a monopoly on agenda-setting, influenced as it is by the Council of Ministers, EP suggestions, the Court of Justice rulings, and ultimately pressure from organized policy communities (McCormick 2001). Thus, the negotiation of the final 2000 directive on liability for the ecological disposal of cars represented an example of how business adapted to the policy cycle through consultation and formulation, and successfully managed changing E.U. institutional arrangements.

The Commission, acting as a political opportunist, brokered its initial proposals in 1997 and placed a great emphasis on the liability of manufacturers for the recycling and disposal of vehicles (Tenbucken 2002). While the European Automobile Trade Association (ACEA) appeared on side during early directive drafts from 1994 to 1997, the industry awoke and started aggressively lobbying against the directive, as the full cost to the industry became clear in 1998. In this period, the firms mobilized both the ACEA and directly lobbied the Commission, arguing that the directive should only apply to new vehicles. However, the Commission was unreceptive and sought to push the directive through. Recognizing that the EP first reading appeared to favor the directive, Volkswagen and other German manufactures altered their lobbying focus and mobilized national support at the regional level and placed pressure on Schroeder's government at the federal level by highlighting the cost to the German car industry. The result of such domestic pressure was that the German Environmental Minister cancelled the proposed Council of Ministers Environmental meeting in early 1999 and slowed the policy-formulation down. This strategy visibly illustrated how the national route was still a credible policy option in setting and reformulating EU directives (Tenbucken 2000).

With the successful blocking of the original proposals, radical changes were proposed by the German car manufacturers with regard to liabil-

ity and recycling of heavy metals. Moreover, the extra time won at the Council of Ministers allowed firms to focus their attention on the newly empowered post-Amsterdam European Parliament. Drawing on the codecision procedures, business was able to convince the EP to call for some forty-three amendments to the 1997 Green Paper. Significantly, while focusing on the E.U. institutions throughout much of 1999, the German manufactures also lobbied national governments via their subsidiaries in Spain (Seat) and the UK (Rover) to support the German government's revisions at the Council of Ministers. At the same time the German government negotiated issues linkages on fishing policy with the Spanish government and harmonization on art dealing with the British. Finally, the EP and European Commission working with the ACEA agreed on some thirty-three amendments, and the Council of Ministers accepted a Joint Text in 2000.

As the preceding discussion briefly illustrates, a successful lobby requires a number of vertical and horizontal strategies. The players must be aware of where a policy is initiated, what the alternative pressure points are, and who has the potential veto points in the process. However, having recognized that venue shopping is a coherent and viable strategy, it is important to recognize how to access the various institutions and political channels along the policy cycle. Furthermore, the preceding case shows the duality of the EU policy process, in so far as firms must develop an EU business-government identity while maintaining a strong national voice.

European Level Forums and Coordinated Environmental Issues Networks

Contemporary policy forums include many of the largest firms in Europe, suggesting the development of an inner core of policy makers and the institutionalization of big business in the EU policy process. Also, many of the European policy forums, such as the Environmental forum of DGXI, have been reinforced and guided by the success of groups including the European Round Table (ERT) and American Chamber of Commerce (AmCham). Firms and the Commission recognized early that firm-based groups such as AmCham, which drew on its U.S. lobbying

experience, could provide early and detailed information. Thus, while new industry forums continued to pursue collective EU agendas, they benefited from a smaller membership of like-minded policy actors, with significant payoffs (discussed later). Issues that could no longer be resolved at a collective association level were effectively tendered out into new ad hoc political alliances that grew around single issues. In light of these developments, the voices of small and medium enterprises (SMEs) and NGOs were potentially marginalized, hence the European Governance Paper that actively called for suggestions to facilitate the inclusion of these interests (European Commission 2001).

The benefits for big business of forum politics were more than simple access. It also raised the influence of business in the power politics of inter-Director General rivalry, and has given them quasi-policymaking and agenda-setting status in certain strategic areas (Richardson 2001). While pressure for new alliances and political groupings came from the increasingly disaggregated political goals of large firms, it was also significant that competition between Director Generals (DGs) encouraged the creation of forums and networks. The advantage of specialist forums, in addition to the focused policymaking and ability of the Commission to demand specific access criteria, was that it provided the individual Commissioners with their own political and economic constituencies within Brussels and vis-à-vis member states (Broscheid and Coen 2003). The most visible recent forums have been Liikanen's Enterprise and Innovation groups on EU enterprise, competitiveness, growth, and employment and Prodi's e-Europe initiative.

New Informal Business Coalitions and Alliances

While the greatest lobbying benefits to business come via the formal Commission led forums, it is possible to observe a secondary trend towards formalized business groups taking the policy lead in a form of public-private policymaking. A visible example of such a grouping is the Trans-Atlantic Business Dialogue (TABD), set up in 1995 as a joint initiative of the Commission and U.S. State Department to circumvent trade issue problems at the WTO. Gradually it has evolved into a quasi-policymaking organization that fast-tracks business-led trade and product standards to the EU and U.S. regulatory bodies (Coen and Grant

2001; Cowles 2001). The European Round Table has also reasserted itself in the integration process, in light of the Lisbon 2000 summit Declaration. Here the European Council leaders committed themselves to the ambitious goal of making the EU the most competitive and dynamic knowledge-based economy in the world by 2010. This business-friendly agenda explicitly recognized the importance of entrepreneurs as a means of growth and job creation, and attempted to create an innovative environment through reduction of compliance costs and coordination of regulation within the internal market. Significantly, in line with the preceding, the European Round Table (ERT) and the Union of Industrial and Employers' Confederation of Europe (UNICE) agreed to work with the Commission to develop relevant benchmarks applicable across the EU.

Such institutionalized big business representation has advantages in terms of policy delivery and the credibility of actors involved in the policy process. Notably, the Commission enjoys credibility while the large firms gain access—both sides gain in a relatively equal partnership. Central to this arrangement has been the Commission's ability to dictate terms for access and the ability of big business and their representatives to make the required changes in their behavior to win the prize of privilege in access, influence and agenda-setting powers. Clearly, business had to change its behavior in response to the rules of the multilevel game described in the previous section. But to enjoy benefits of insider status, big business had to win the trust of the Commission by becoming European in its business-government identity as well.

Faced with Commission forums, the advantages of big business, and the increased costs of lobbying, pressures on societal interests to merge and coordinate have been irresistible. Reflecting Olsonian problems of coordinating larger and less focused formalized groups, the public interest solution has been the creation of short-life issue networks that form and disband around a single focused directive—as illustrated by the case that follows. Paradoxically big business has also facilitated the creation of many of these new ad hoc alliances as they too, seek alliances with civic groups and critical mass to facilitate credibility and access to the EU policy forums.

Green Coalition Building: The Case of the Automobile Emissions Standards

In defining the directive on future emissions, the Commission initially brought together technical experts from European federations representing the car manufacturers (ACEA) and the European Petroleum Industry Association (EUROPIA) to form an insider group of experts. The aim of this initial dialogue (1993–1994) was to assess the most effective package of measures, including vehicle, technology, fuel quality, and nontechnical measures that would reduce emissions. However, the subsequent development of the European Campaign for Clear Air (ECCA) and the Auto I Program were notable in that they demonstrated how public interests can mobilize and collaborate on a single issue (Webster 2002; Young and Wallace 2002).

In response to the previously described technical meetings, new public interest coalitions formed as countervailing groups to create a green voice in the debate, the most notable being ECCA. This group had at its core six lobbyists: the European Bureau of Consumer Unions (BEUC), the Confederation of Family Organizations in European Community (COFACE), The Euro Citizen Action Service (ECAS), the European Environmental Bureau (EEB), the European Public Health Alliance (EPHA) and the European Federation for Transport and Environment (T&E). Significantly, the group saw itself as a short-life and issue-driven coalition for clear air and emissions (Grant et al. 2000). While, there were differences in the aims of consumer groups, citizens, and environmental groups, they found common ground on environmental questions. Thus the ECCA gave them an official name and critical mass vis-à-vis the entrenched producer lobbies in the industrial directorate.

While highly visible, the ECCA had no formal secretariat or fixed financial contributions, unlike NGOs or conventional industry associations; rather, responsibilities were allocated according to the expertise of the member associations. For example, the ECB focused on the Environmental Directorate while the consumer groups attempted to lobby the Industrial and Single Market Directorates (Webster 2002). The result was “institutional shopping” by a flexible, focused, and fast-moving specialist political coalition. However, in addition to lobbying the EU institutions directly on technical questions, the ECCA also attempted to

broaden the public policy debate on emissions via a series of conferences that brought together a wider epistemic policy community of academics, national government officials and environmental consultants. The preceding activity illustrated that complex multilevel advocacy coalitions could be fostered as environmental policy norms were established in the 1990s. However, while actively lobbying as a coalition and broadening the scope of the environmental debate, all the groups maintained individual identities and positions relating to potential countervailing issues.

By the time of the 1995 draft proposal to EFEG, two distinct camps could be identified. The first, taking a strict approach, included the Commission, Austrian, German, British, and Dutch governments, the European Parliament, Environmental, and consumer groups. The second group was more permissive and included the automobile and petroleum industries, and the Spanish and Portuguese governments. The public-interest group attempted to influence the policy process with an appeal to the accountability and legitimacy of E.U. policy, by bringing a range of public interests together at the European, national, and local levels. Significantly, the Commission seemed increasingly receptive to the environmental voice and green taxes after the strong showing of environmental parties in national and European elections. The producer groups relied on technocratic policymaking and placed the greatest emphasis on modelling air quality and cost-benefits of changes to engine specification. Therefore, each lobbying coalition utilised its comparative advantage in “EU resources dependency” terms.

While the Commission clearly altered its general position towards the environmental lobby at the expense of the automobile industry, its proposals were not as far reaching as the 1995 proposals (Young and Wallace 2000). In fact the EP, at its first reading in 1997, adopted a number of stricter amendments that the Commission argued against on grounds of cost effectiveness. However, the Council was in line with the European Parliament on petrol, if not emission and diesel fuel questions. Thus the Council’s common position displeased the producer lobby, but only partly won over the environmental groups. Riding on the back of this limited success, the environmental alliance has pushed at the EP and Council for reviews on stricter standards in 2005. As a result, the

preceding case shows how the EU institutions created and eliminated a number of policy options and altered the nature of lobbying in Brussels. However, for all the changes in EU agenda-setting and norm creation, national alliances were seen to be of equal importance in reformulation at the EP and Council, and will also have the greatest effect at the period of implementation. Furthermore, the success of the environmentalists may ultimately have had more to do with the fact that the automobile and oil producers were divided over who should absorb the greatest tax burden (Grant 2000).

As the preceding illustrates, environmental groups have suffered a number of problems of organizing at the EU level. While the Commission provided small amounts of funds to facilitate the mobilization of groups such as European Environmental Bureau, Friends of the Earth, and World Wildlife, environmental groups are still underrepresented at the EU level, relative to member state capitals or Washington, D.C. Due to their limited funds, a leading group of environmentalists came together to pool resources and create the "Gang of Seven" (Webster 1998). However, this alliance plus Greenpeace, Climate Network Europe, Birdlife International, and the European Transport and Environment Federation, while having credible political mass, can still only mobilize some thirty people (McCormick 2001). Moreover, due to the varied membership and objectives of the group, ranging from broad ecological issues to the protection of a specific bird, the political focus and influence of the group has often been undermined. This lack of homogeneity in the environmental lobby, both in lobbying style and ideology, makes common ground difficult to identify and has allowed business to "cherry-pick" short life political alliances with the environmental groups in Brussels.

As discussed in the previous section, the hard currency of influence in Brussels is information and expertise. Thus, environmental groups suffered in comparison to business, as they attempted to adapt their domestic public policy models of direct action and media mobilization to the needs of building medium-term issue groups. As Grant (2000) noted, environmental groups are disadvantaged insofar as environmental issues are subject to the vicissitudes of the "issue attention cycle," and popular public support can wane as fast as grew. Effective environmental lobby-

ing in Brussels requires not just developing a legitimate voice and constituency, but also being able to maintain a stable presence over a period of time.

Significantly those environmental groups that have exerted the greatest influence have been groups that have been able to bring specialist knowledge to the table over a long period of time and have created new cross-issue alliances. For example, Climate Network Europe (CNE) has been a central player in the EU climate control debate since the 1980s and has established itself as a core insider (Grant et al. 2000). However, to do this CNE had to form alliances with business lobbies such as the European Association for the Conservation of Energy and European Wind Energy Association, to widen its policy appeal to decision makers.

However, for every successful environmental alliance, we can see numerous occasions where they have been structurally disadvantaged in lobbying the Commission (Grant et al. 2000). For example, most environmental groups are too closely allied with the environmental directorate and the EP, while business plays a complex web across a number of Commission directorates. While having favored access at the Environmental directorate may give them a disproportionate say in the agenda-setting of broad environmental policy, not having the resources to follow the policymaking cycle through various discussions with different directorates and institutions means that they are at a huge informational and policy formulation disadvantage.

For the preceding reasons, we have started to see the new advocacy coalitions and lobbying styles so common in Washington in the 1990s. The result has been that environmental NGOs have started to build informal personal networks and informational reputations in the policy process, which can be utilized on specific lobbying issues at a later date. That said, as happens in Washington, they still have substantial organizational and resource problems to overcome before they can consider themselves playing on a level playing field with business.

Hence, while large businesses continue to gain access by growing the credibility of their identities as European actors, smaller lobbyists and NGOs are compromised by the dominance of national level identities in the representative process. While larger firms enjoy ever-increasing access

and influence, smaller interests, despite their centrality to the EU's future economic well-being, find themselves sidelined by uncooperative representatives at the EU level. Although Small and Medium Enterprises (SMEs) and NGOs have made strides in unifying themselves into a single main group, they have some way to go before they present themselves as the coherent and thoroughly European constituency of their larger cousins; other interests, such as consumers and environmentalists, have still to establish a full voice. Only then will they enjoy the bounty of privilege that comes from insider status.

Learning from the Washington Lobbying Experience?

The success of policy forums and a desire to gain access resulted in attempts by large firms to build their European and environmental credentials via the creation of new ad hoc European business alliances, to restructure European federations into large business clubs and to re-define linkages with national political channels and traditional countervailing interests. The resemblance to Washington's "issue networks" the mobilization of grassroots and the Washington business roundtables is very strong at first glance.

The exact scale of lobbying in Washington is hard to determine, but on environmental issues it is estimated that 3,000 organizations, most of which represent business, have Washington offices. In addition to this there are another 6,000 registered lobbyists and tens of thousands of support staff representing 40,000-plus registered clients, including doctors, senior citizens, foreign governments, religious organizations, and environmental groups and industries affected by environmental issues (Chepesiuk 1994). In addition to these environmental issue groups, the expansion of large firms' direct lobbying of congressional hearings in Washington has been widely catalogued as a consequence of the fast growth of federal government regulation in the 1970s, without a comparable increase in bureaucratic resources (Vogel 1989; Wilson 2003). Thus companies including Monsanto and DuPont have installed specialist lobbying teams on single issues like Superfund reform.

Comparisons of issue networks in Washington and Brussels are complicated by the existence in the United States of a politicized bureaucratic

administration and political campaign contributions (Wright 1996). Associations such as the American Petroleum Institute and large companies have Political Action Committees (PACs), whose purpose is to raise and distribute campaign funds for political office. In 1992 elections, PACs totalled more than \$172 million, only a small proportion of which came from environmental groups (Chepesiuk 1994). This direct funding gave a large structural advantage to business vis-à-vis environmental and civic groups. However, while environmental NGOs are disadvantaged in funds, the fact that in the United States a number of policy areas have been pushed out of the traditional power centers of federal government and into the intermediary issue networks of the congressional hearings has strengthened the role played by specialist lobbyists (Martin 1991).

Capture is also a risk, as with each changing administration new committee appointments must come up to speed on technical issues and are therefore left exposed to well-prepared and resourced interests (Martin 2000). This risk of capture is greatest where the subsystems have a relatively small number of participants who dealt frequently with one another, and when congressmen lack technical expertise (Vogel 1996). Thus, the most successful lobbyists are not necessarily those who paid the highest political contributions, but those who extract the broadest support from the greatest number of actors, and for this reason the U.S. system, like the EU, has been seen to be based upon alliance building, bargaining, and compromises (Sabatier 1998; Wilson 2003).

Learning from U.S. Firms in Brussels

Drawing on the Washington experience, U.S. firms were the most organized and proactive of the early European lobbyists. With seventy U.S. multinationals operating Brussels government affairs offices and the visible political presence of AmCham, U.S. firms demonstrated to their European rivals the importance of direct, regular, and reliable representation at the European Commission. Specifically, AmCham and its EU committee demonstrated the importance of direct firm membership (at the collective European level) and the participation of senior executives with expertise in the policy debate. By adapting the organizational structure around twelve specialized technical committees on issues such as

competition, trade, social affairs, and environment, AmCham was able to complement the new European Commission issue-based forums—in fact it was not uncommon for the membership of both committees to be the same. Specifically, this Europeanization of the American business interest was facilitated by the stated policy of AmCham and American firms to hire high-profile European nationals who were known in the Brussels policy community to lead on specific issues. Some saw this as a concerted attempt by AmCham to socialize the more aggressive U.S. lobbying style to the more conciliatory collective business-government relations in Europe (Jacek 1995).

However, while a successful model, the primacy of AmCham in the 1980s was challenged by the arrival of a large number of European firms in the early 1990s. Its position as an agenda-setter was also diminished with the growing importance of the ERT—which had been modelled on the Washington Industrial Round Table. This new club of Europe's senior industrialists soon became the favored big business forum of President Delors and was a major engine in the successful implementation of the Single Market program (Cowles 1995). Consequently, AmCham, while continuing to show selectivity on position papers, created the European American Industrial Committee (EAIC). Today, AmCham, while still solicited directly by the Commission for position papers, has also learned to form ad hoc alliances with the ERT and UNICE.

Learning from the AmCham experience, European federations started to reorganize their structures to incorporate direct firm membership and steering committees. With these changes, American firms' leadership role has strengthened in many sectors; for example, U.S. pharmaceutical and chemical companies were active in restructuring the European Chemical Industry Council (CEFIC), and the European Federation of Pharmaceuticals (EFPIA) (Greenwood 1997). Most significantly, U.S. firms become so integrated within the EU public policy system that they started to participate and chair UNICE subcommittees, as illustrated by Dow's chairmanship of the customs legislation committee and Procter and Gamble's leadership role at both UNICE's Consumer Affairs Committee and AmCham. The acceptance of the U.S. business club/organization model as the most effective means of lobbying the Brussels establishment was

to have serious implications for the development of the Commission's business relationship.

Continued Differences in Business-Government Behavior

Despite the apparent desire to emulate many of the lobbying practices of U.S. firms, it was evident that European firms were aware of differences in business culture, state/firm institutional traditions, and codes of political conduct. These differences are illustrated by the discussions focusing on openness and transparency in the U.S. Congress and governance in the EU. For example, the Commission has no register of proposed regulations to solicit public comment, Parliamentary hearings on draft legislation are rare, and virtually no formal advisory bodies exist in the EU public policy system. This informality gives European public policy its vitality and flexibility, allowing for the development of informal relationships, the apportioning of favor and the establishment of trust, encouraging long-run business-government relationships based around committees and expertise. These relationships contrast with the Washington experience, which has tended to be more competitive and to encourage a short-term adversarial culture.

Traditionally, European firms have negotiated industrial and environmental policy in the nation state from a favored and often insiders' position, rather than attempting to block legislation in a confrontational style more typical of the United States. This difference may have some of its origins in the fact that the European nation-state has always been more interventionist and the EU has had to step up its regulatory activity with the creation of the Single Market. In this respect, the Commission has perhaps produced a hybrid of the U.K. and French models, where close but informal relationships have been built between the administration bureaucracies and the business environment (Schmidt 1997).

While the Brussels public debate often appears muted in comparison to Washington and the European policy forums look like small clubs, the reality is that the Commission has taken a number of steps in recent years to encourage openness and transparency. The result is that the Commission should be seen as an informal institution that operates a

voluntary code of conduct for interest groups. Whether such openness actually occurs or can survive the increased lobbying in Brussels is sometimes questionable, as we will explore in the following cases. But what is beyond doubt is that large firms believe that they have good access and potential influence at EU institutions at the expense of less well organized and resourced public interests.

However, at the EU level the changing institutional balance, expansion of policy areas, and technical nature of functionaries actually conspired to reduce the chance of bureaucratic capture. Furthermore, with the completion of the single market directives, the Commission found itself dealing with new service standard issues and seeing partnerships with wider public interests. Accordingly, with the change in the informational needs and recognition of new European public interests and firms' strong desire to participate in EU policymaking, the Commission was able to restrict/select company access to its 300 committees and 1,200 issue forums. Consequently, by managing access and developing a high technical capability, the Commission believes that it has been able to dictate the terms of the regulatory policy debate.

The technical and regulatory nature of EU legislation also contributes to the low public profile of European business lobbying, as opposed to the more redistributive policy making in the United States, which often leads business and NGOs to attempt to mobilize grassroots public support; a notable exception to this is the recent and very public debate on BSE and British beef sales in Europe (Grant 2000). Generally, however, this low-profile policymaking is reinforced by the democratic deficit in the EU, as bureaucrats within the agencies, forums, and committees are not constrained by public pronouncements at election time, nor do political parties seek funds from interest groups. Thus we are less likely to see the media induced agenda setting and shifting interest group alliances characteristic of the United States.

This may change as the European Parliament attempts to assert itself in specific policy areas via new cooperation procedures with the Commission, and as publicity grows on normative issues such as the environment. Specifically, political accountability of the Commission could increase as the EP asserts itself post-Maastricht and Amsterdam Treaties—as illustrated by the recent censure of European Commission-

ers Cresson and Marin for fraud and waste (Wallace and Wallace 2000). However, even with the institutional changes in the legislature, it is questionable, whether we will ever see in Europe the same degree of “grass roots” lobbying and “political advertising” that characterizes the U.S. business lobbies.

In the United States, we are seeing new vertical political alliances, as illustrated by lobbying strategies of prescription drug companies against drug-pricing legislation, that include ostensibly grassroots initiatives and the creation of the “Coalition for Equal Access to Medicines.” Similarly, “alliance politics” has increased in Europe, as firms have had to develop complex issue identities to access the new elite business forums. Nonetheless, this grassroots activity was motivated less by the desire to develop high-profile press attention than by the need for credibility with individual Commission officials. The democratic deficit and technical nature of governance in Europe continue to ensure that the strategic logic behind ad hoc industrial alliances is different from the United States.

The difference between EU and U.S. political activity can also be attributed to the relative position of the political institutions in Europe and the balance of powers among the branches of government in the United States. In the United States, the Congress acts as an independent actor in the legislative process and firms attempt to influence policy via committees and individual Congressmen. Hence, when the accounting industry and large corporations came together to generate grassroots lobbying for support for the securities legislation reform in Congress, each firm encouraged its employees to write to their Congress members and set up an 800-number that automatically generated letters.

In the EU and member states, the influence of an individual MEP is reduced due to the strength of the party system and the fact that government and parliament can more often be seen as one. At the European level this effect is magnified, as the link between the local interest and MEPs becomes blurred. Hence, MEPs and MPs in the European lobbying context appear less important than U.S. Congressmen and senators. Exceptions can be found on localized issues such as the German shipyard debate on tax subsidies or in high-profile public issue areas involving public interest questions such as genetically modified corn and nuclear energy production. Nevertheless, the potential for party

political maneuvering in Strasbourg and the lobbying uncertainty this created for business meant that most budget constrained firms were reluctant to commit resources to lobbying the EP, especially in the current period of recession. Consequently, civil servants at the Commission initiate much of the legislation and are often more knowledgeable than the MEPs on the realities and technical requirements of legislation. This has resulted in a technocratic policy system where firms favor dealing with fellow experts and lawyers. Under these conditions lobbying has become more sophisticated than the cash contributions and aggressive lobbying of American firms.

However, the experience of U.S. and EU firms learning to work together in Brussels has resulted in more cooperation at the international level. Creating new business clubs such as the TABD has shown how far the role of big business in policy formulation has become the accepted norm in Brussels and Washington (Coen and Grant 2001). In learning to collaborate in ad hoc international lobby groups, business has strengthened further its position and voice at intergovernmental treaty negotiations in areas such as climate change and ozone depletion (Levy and Newell 2000).

Conclusions

In understanding European environmental lobbying, it is clear that an elite pluralist environment has evolved where business has a favored position in agenda-setting at the European Institutional level. Nevertheless, while the Commission has increasingly become the primary focus of big business lobbying, member-state channels, and other EU institutions continue to be of great significance to a well-structured lobbying strategy that follows the policy cycle from agenda-setting through to implementation. Thus, firms must engage with international bodies, European institutions, member state governments, and local authorities on an issue-by-issue basis, and alter their political strategies accordingly.

Accepting the multiple institution approach to environmental lobbying, firms have learned to “mix and match” their political alliances with various environmental and business interests groups to create flexible advocacy coalitions. Firms have learned that favored access to the policy

process is about building issue identities and credibility over time, and that the best way to establish reputation is through conciliatory and collective representation via inclusive mutual recognition business-policy forums. Thus, business responsiveness to these new international opportunity structures in environmental politics has created a high level of political convergence in international lobbying strategies.

Clearly, the EU environmental policymaking process has many similarities with the flexible and multichannelled U.S. pluralist model, and European firms have learned from the Washington lobbying experience. What is more, in business-government arrangements it is possible to see issue networks on climate reforms that operate on both sides of the Atlantic and share many lobbying characteristics. In spite of this, while alliance building and regular professional trans-Atlantic business contacts are desirable, European business-government attitudes and practices continue to differ significantly in the state-level management of environmental policy. Specifically, the Commission and European Parliament, in regulating the Single Market program, have sought to consult with a wider variety of economic, societal, and environmental interests via complex forums and formal consultation processes. In this context the European environmental lobbyists have strengthened their potential agenda-setting niche and embedded themselves in the formulation process by “cooperative lobbying strategies” with business to a greater extent than their American counterparts.

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