



Faculty of Social Sciences

MSc in International Public Management and Policy

Interest group lobbying success in EU policy-making

Why are some interest groups more successful than others when lobbying?

Master Thesis

28 July 2014

1st reader: Prof. Dr. M. Haverland

2nd reader: Dr. Stephane Moyson

Author: Milda Nariunaite

Student number: 402131

Word count: 20,816

Abstract

The aim of this study is to find the determinants of interest group lobbying success on the EU Climate action policy field. Drawing on theoretical approaches of interest group characteristics and issue-specific characteristics, this study aims to investigate whether interest group type and financial resources have an impact on interest group preference attainment on high salient and low salient climate action policy issues. Two cases under examination of this research are: a high salient policy proposal to the public – amendment to the Regulation (EC) 443/2009 to define modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger and a low salient policy proposal – amendment to the Regulation 1031/2010 to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020. The study aims to investigate lobbying success of four European associations representing industry and four large environmental NGOs that lobbied on the high salient proposal and lobbying success of four European associations representing industry and four large environmental NGOs that lobbied on the low salient proposal. The research method applied during this study is the preference attainment method. This method enables systematic analysis of interest group preferences when comparing them with final policy outcome. The findings show that neither issue salience nor interest groups type or financial resources were found to be strong determinants of lobbying success. The most successful interest groups were the ones, which had their preferences in line with the status quo and the least successful were organizations with revolutionary preferences.

Table of Contents

Abstract	2
List of abbreviations	5
List of tables.....	6
List of figures	6
1. Introduction.....	7
1.1 Introduction	7
1.2 Research aim and research question.....	9
1.3 Theoretical and social relevance	9
1.4 Research structure	10
2. Literature review	11
2.1 Institutional, issue-specific and interest group characteristics levels.....	11
2.2 Interest group characteristics level	12
2.3 Issue-specific level	14
3. Theoretical framework.....	15
3.1 Issue specific-approach	15
3.2 Interest group characteristics approach	17
4. Research design and methods	19
4.1 Selection of policy issues	20
4.2 Selection of interest groups	21
4.3 Measuring lobbying success.....	22
4.3.1 Process-tracing method.....	22
4.3.2 The ‘attributed influence’ method	23
4.3.3 Preference attainment method	23
4.3.4 Application of the preference attainment method in this study.....	24
5. Description of cases	26
5.1 First case: amendment to the Regulation (EC) 443/2009 to define the modalities for reaching the 2020 target to reduce CO2 emissions from new passenger cars	26
5.1.1 Identification of interest groups	28

5.2	Second case: amendment to the Regulation (EU) 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020	29
5.2.1	Identification of interest groups	31
6.	Preference attainment on the amendment to Regulation (EC) 443/2009 to define the modalities for reaching the 2020 target to reduce CO2 emissions from new passenger cars.....	32
6.1	Disaggregation of policy issues.....	33
6.2	Interest group preferences	36
6.3	Policy outcome	43
6.4	Match or mismatch.....	44
7.	Preference attainment on the amendment to the Regulation (EU) 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020	47
7.1	Disaggregation of policy issues.....	47
7.2	Interest group preferences	49
7.3	Policy outcome	54
7.4	Match or mismatch.....	55
8.	Testing hypotheses	57
9.	Conclusions.....	67
9.1	Main findings and the answer to the research question.....	67
9.2	Limitations of the research	68
9.3	Theoretical implications	69
9.4	Social implications	70
10.	References	70

List of abbreviations

ACEA	Automobile Manufacturers Association
AEA	Association of European Airlines
CAN-E	Climate Action Network Europe
CIRFS	European Man-made Fibres Association
CLEPA	European Association Automotive Suppliers
Commission	The European Commission
DG CLIMA	Directorate-General for Climate Action
EAA	European Aluminium Association
ESCA	European Small Volume Car Manufacturers Alliance
EU ETS	EU Emission trading system
EU	The European Union
EUROFER	European Steel Association
GBE	Green Budget Europe
GHG	Greenhouse gas
ICCT	International Council on Clean Transportation
NGO	Non-governmental organization
T&E	Transport and Environment
WWF	World Wildlife Fund

List of tables

Table 1 Interest group selection	22
Table 2 Selection of interest groups that lobbied on the first case.....	29
Table 3 Options to revise auction time profile (in million allowances).....	31
Table 4 Selection of interest groups that lobbied on the second case	32
Table 5 Disaggregation of policy issues and construction of preference scales (Case 1).....	35
Table 6 Interest group preferences according to the preference scale (Case 1).....	42
Table 7 Policy outcome (Case 1)	44
Table 8 Interest group preferences according to the policy outcome (Case 1).....	46
Table 9 Disaggregation of policy issues and construction of preference scales (Case 2).....	48
Table 10 Interest group preferences according to the preference scale (Case 2).....	53
Table 11 Policy outcome (Case 2)	54
Table 12 Interest group preferences according to the policy outcome (Case 2).....	56
Table 13 Lobbying success according to the interest group type	58
Table 14 Financial resources of interest groups that lobbied on the high salient policy proposal (Case 1)	61
Table 15 Financial resources of interest groups that lobbied on the low salient policy proposal (Case 2).....	61
Table 16 Interest group preferences according to the status quo (Case1).....	66

List of figures

Figure 1 Long term trend in car CO2 emissions	27
Figure 2 Lobbying success according to interest group type on the high salient policy proposal (Case 1).....	60
Figure 3 Lobbying success according to the interest group type on the low salient policy proposal (Case 2)	60
Figure 4 Dependency between financial resources and lobbying success on the high salient proposal (case1)	62
Figure 5 Dependency between financial resources and lobbying success on the low salient proposal (case2)	63

1. Introduction

1.1 Introduction

Since the 1980s interest group participation in European Union (EU) policy-making has become more prominent (Hix&Hoyland, 2011). In the mid-1980s researchers estimated that there were approximately 500 interest groups with offices in Brussels (Hix&Hoyland, 2011, p. 162). The latest statistics of the *Transparency Register.eu*¹ show that in July 2014 there were in total 6672 interest groups registered as lobbyists in the EU. The *Transparency Register* splits interest groups into six categories: professional consultancies/law firms/self-employed consultants, trade/professional associations, non-governmental organizations (NGOs), think tanks/research institutions, religious organizations and organizations representing local authorities. The highest number of interests is represented by trade, business and professional associations (2026) and by NGOs (1715) (Transparency Register, 2014). This study aims to research the two aforementioned categories and their lobbying preferences.

The greatest lobbying activities within the Commission take place around institutions and committees that have the greatest regulatory output and competencies (Coen, 2007). Therefore, one of the most lobbied domains in the Commission is Environment domain (ibid). Currently, there are 3638 interest groups involved in environment and climate change policy, out of which 1122 represent trade and professional interests and 824 represent NGOs (Transparency Register, 2014). Climate change has become a core topic of the EU policy, with demanding targets set by the Kyoto Protocol and United Nations Framework Convention on Climate Change. To prevent the most severe impacts of climate change, the international community has agreed to keep the global warming below 2°C compared to the temperature in pre-industrial times (DG CLIMA, 2014a). In 2010 a new Directorate-General for Climate Action (DG CLIMA) was established to tackle growing climate change challenges and to meet EU strategic targets. For 2050, DG CLIMA has an objective to reduce Europe's greenhouse gas (GHG) emissions by 80-95% compared to 1990 levels as part of efforts by developed countries as a group to reduce their emissions by a similar degree (DG CLIMA, 2014a). In order to reach this target the EU has taken several initiatives to reduce GHG emissions, which includes the EU Emission Trading System, increasing Europe's energy efficiency, reduction of CO₂ emissions from new passenger

¹*Transparency Register.eu* was launched by the European Commission and European Parliament in 2011 to provide more transparency about the parties involved in the EU decision-making process.

cars and vans, development of carbon capture and storage technologies, and the European Climate Change Programme. The objective of this study is to analyse lobbying activities in two of the aforementioned initiatives – the EU Emission Trading System (ETS) and reduction of CO₂ emissions from new passenger cars.

The EU ETS is a core aspect of the EU's policy in fighting climate change and a key tool for reducing industrial GHG emissions cost-effectively (DG CLIMA, 2014a). The EU ETS works through the 'cap' principal, which means that the overall volume of GHG emissions that can be emitted by factories, power plants and other installations is limited to a number of emission allowances. The cap is reduced over time so the total number of emissions falls. Emitting companies buy emission allowances through the auctions, which are regulated by the Auctioning Regulation (EU) 1031/2010. Recently, EU ETS faced a challenge of growing surplus in emission allowances mainly due to the economic crisis. A surplus of more than two billion allowances is planned to be addressed by an amendment to the EU ETS Auctioning Regulation ((EU) 176/2014), which sets a postponement of emission allowances by 2020. This amendment has caused huge attention of interest group community. Industry organizations criticize the Commission for taking ad-hoc measures to tackle the problem. NGOs on the other hand, have concerns regarding the amounts of emissions set to be postponed.

The second initiative - Reduction of CO₂ emissions from new passenger cars - has attracted more attention from civil society than the amendment to the EU ETS Auctioning Regulation. Obviously, civil society is more concerned by future car and fuel prices than number of emission allowances to be auctioned, this being more of a concern for industry organizations. Reduction of CO₂ emissions from passenger cars has become a binding Regulation (EC) 443/2009 since 2009, prior to this it was a voluntary measure. In 2012, the Commission has issued an amendment to the Regulation (EC) 443/2009 to define modalities for reaching the target in 2020. This amendment has received attention from a high number of industry organizations, NGOs and especially civil society, and therefore serves as a high salient proposal in this study.

1.2 Research aim and research question

The aim of this research is to find out why some interest groups are more successful in translating their preferences into policy outcome in EU Climate action policy than others. Therefore, the main research question of this study asks:

What determines interest group lobbying success in the EU Climate action policy?

Interest group factors under scrutiny throughout this study include interest group type and financial resources. In addition, this research looks into the interaction of interest group factors with issue level factors, and most importantly for this study - issue salience factor.

This research aims to investigate interest group lobbying success in the policy formulation stage of policy cycle. This means that research will focus only on interest groups access to the European Commission DG CLIMA, in doing so neglecting all further lobbying activities in European Parliament and European Council. The start point for this analysis is the Commission's draft policy proposal submitted to public consultation for interest group comments. The final point of analysis is the Commission's final legislative proposal adopted following the consultation. The early stages of EU policy-making offer the best policy influence opportunities for interest groups (Bunea, 2013). During this phase of policy-making process interest groups are invited to provide policy input and can affect the content of EU legislation (ibid).

The objective of this research is to analyse industry organization and environmental NGOs preferences in the EU climate action policy. Therefore, the results cannot be generalized to other EU policy fields, but rather to high salient and low salient policy issues within EU climate action policy.

1.3 Theoretical and social relevance

According to Gschwend and Schimmelfenning (2007, p. 3), research is theoretically relevant "if it advances the collective dialogue between theory and data beyond the current state of the discipline – by formulating, testing and improving theory, by generating and improving data, and by describing and explaining observations". This research is theoretically relevant in the way that it expands the preference attainment method to issues that are different on their salience to civil society. This was never done in interest group research before. Moreover, my research applies

the systematic disaggregation of policy issues tool, pioneered by Bunea (2013), to a new policy field – EU Climate action.

Explaining interest group preference attainment is highly relevant to the development of EU interest groups research (Bunea, 2013). However, studies attempting to do so are mainly exploratory and descriptive (Bunea, 2013; Coen 2007). In addition Bunea (2013, p. 553) notes that systematic, quantitative analysis of determinants of lobbying success is currently rather an exception. Most of the studies that apply preference attainment look at the interest group characteristics and policy issue characteristics as separate factors. However, very few studies have attempted to combine these two characteristics. I suggest combining interest group characteristics with an issue salience. By doing so, I open a new window for future research to analyse how interest group characteristics interact with issue being high salient or not, and how does this affect interest group lobbying success. I measure preference attainment through the systematic disaggregation of policy issues and coding of interest group preferences. This enables me to create a systematic piece of work, which contributes to the exceptional interest group literature.

As stated by Gschwend and Schimmelfenning (2007, p. 3), “research is socially relevant if it addresses social problems, improves citizens’ and policy makers’ understanding of the problem and possibly, offers solutions”. This research will contribute to an overall understanding of why some interest groups are winners and some losers in EU policy-making. It will also shed light on lobbying activities that take place in the consultation stage of the EU policy-making process. Moreover, it will contribute to interest group’ understanding of what is important when lobbying on high salient and low salient proposals. In addition, it will bring more democracy and transparency for the EU, because citizens will be able to better understand to what level their interests are represented in EU legislation.

1.4 Research structure

This paper is structured as follows. Section 2 provides some insight into the existing interest group literature and reveals a picture of what has been done so far. Section 3 lays down the theoretical framework, which includes both the issue salience approach and interest group characteristics approach. This section also presents the five hypotheses of this paper. Section 4 contains an explanation of the chosen research design, a description of the preference attainment

method and a selection of relevant cases. Section 6 introduces the reader to two cases under investigation - a high salient proposal and a low salient proposal, as well as interest groups that lobbied on each proposal. Section 7 and 8 contain preference attainment on the high salient policy proposal and on the low salient proposal. This section also lays out the first results of preference attainment. Section 8 is dedicated to investigating the relationship between interest group characteristics, issue salience and lobbying success. During which the five hypotheses are tested. Section 9 describes the research findings and provides an answer to the main research question.

2. Literature review

The following section contains a literature review of determinants of interest group lobbying success. Since analysing previous studies on this topic it was realized that such determinants can be split into the following three levels: **institutional, issue-specific and interest group characteristics**. The first part of this section presents a study that examined all these three levels of determinants. Most studies were found to concentrate on the interest group characteristics level and issue-specific level, therefore part 2.2 and part 2.3 of this section present literature review on those two levels.

2.1 Institutional, issue-specific and interest group characteristics levels

The study of Mahoney (2007) was found to be the most elaborate case in the interest group lobbying success literature. The author tests lobbying success according to three levels: institutional, issue-specific and interest group characteristics. On the institutional level she analyses a degree of democratic accountability of a political system and the rules surrounding the policymaking process. In the issue-specific level, attention is drawn to the scope and salience of the issue that is being lobbied on, and the presence of countervailing forces. With regard to the interest group characteristics level, the determinants are financial resources of interest group, interest group membership size, advocate type, organizational form, the position of the advocate on the case and the usage of specialized lobbying techniques.

Mahoney (2007) tests all three levels of factors with original data based on interviews with 149 advocates in Washington D.C. and Brussels active on a random sample of 47 policy issues. She finds that lobbying success in the EU is mostly determined by the issue-specific and

interest group characteristics factors. Interest groups that lobbied on the large scope, highly salient to the public and more competitive policy issues were found to be less successful in their preference attainment. Concerning the interest group characteristics, the results showed no relationship between the financial resources of the interest group or the membership size and the lobbying success in the EU policy-making. However, the position of the advocate on the case was found to be crucial for the likelihood of successful policy attainment - lobbyists fighting for the status quo were more likely to succeed. 69 percent of lobbyists succeeded when lobbying on the status quo rather than on the policy change in the EU (ibid). As for the institutional level factors, the degree of democratic accountability of a political system and the rules surrounding the policymaking process did not prove a significant relationship with the preference attainment in the case of the EU policy lobbying.

2.2 Interest group characteristics level

On the interest group characteristics level, there is a stream of literature that emphasizes interest group organizational form and financial resources as the most important determinants of lobbying success. Such determinants are analysed in the studies of Bouwen (2004) and Eising (2007).

Bouwen (2004) tests business interest groups' degree of access to the European Commission, European Parliament and the Council of Ministers. He conducts 126 explanatory and semi-structured interviews in order to find out which organizational form of business interest representation – companies, associations or consultants – have the most access to the EU institutions. He bases his research on the theory of access, which states that lobbying success is an exchange process between the interest groups and policymakers. Interest groups demand access to the policy-making process. In turn, policy makers demand access goods from the interest groups that are crucial for their functioning (ibid). Access goods are represented by expert knowledge, information about the European encompassing interest and information about the domestic encompassing interest. He finds that not all the interest groups can provide the same access goods required by the policy makers and therefore the relative access to the policy makers differs together with level of lobbying success. For example, European associations were found to have the most access to the Commission (43 percent). The less successful in accessing the

Commission were individual firms (34 percent) and national associations (21 percent). Consultants had the least relative access to the Commission (2 percent) (p. 358).

Eising (2007) emphasizes the importance of organizational resources and strategic choices of interest groups. He conducts an empirical analysis on 800 German, UK, French and EU business associations to explain why interest groups lobby the EU institutions and what groups maintain contacts with them. Drawing on the organizational theory of resource dependencies he suggests that the EU institutional context, the resource dependencies between state and business, as well as the interest groups' structures and strategies shape access to EU policy-makers. The finding of his study shows that all these dimensions are important but there are certain general factors that have exceptional value. These are the division of labour among European and national associations, the organizational resources of interest groups and the political mobilization of interest groups. More specifically Eising concludes (2007, p. 356) that interest groups having the most success in achieving their policy goals are the ones that find the EU institutions important to the representation of their interests, command sufficient financial resources, are able to bring policy information and poses economic clout.

There is another stream of literature that points out interest group type to be the most important determinant of successful lobbying. For example, Olson (1965) argues that type of an interest – diffuse or concentrated - is a crucial factor in the EU policy-making. In order to explain the differences between diffuse and concentrated interest in lobbying success, he provides an explanation of the 'logic of collective action'. According to Olson (1965), there are high incentives to join a group that seeks benefits only for members of the group (private interests), and low incentives to join a group that seeks benefits for all of society (public interests). Relating to this idea, concentrated interests such as groups representing producer interests are more likely to be able to organize than diffuse interests, which represent interests of society as a whole (Hix&Hoyland, 2011). This suggests that the interest type matters: interest groups representing business interests are more likely to organize and achieve their policy preferences than groups with diffuse interests representing interests of society.

Building on the Olson's (1965) logic of collective action approach, Dur and De Bievre (2007) empirically analyse NGOs influence in the European trade policy field. NGOs are less able to organize than business interests groups and therefore their ability to access the policy

makers is lower. Even if they manage to get organized and gain access to decision-makers, they are not able to influence political outcomes to the same extent as business interest groups, Failure to influence political outcomes is mainly due to the lack of resources that empower decision-makers to achieve their own preferences or be useful in affecting a political actor's chances for re-appointment (Dur&De Bievre, 2007).

Kluver (2012) challenges findings of Olson (1965) and Dur and De Bievre (2007) with empirical analysis proving that different organized interests are equally able to effectively participate in the EU policy-making. In her study she analyses success in lobbying according to the interest group type. She measures lobbying success across a wide variety of interest groups and policy issues by combining a quantitative text analysis of Commission consultations with an online survey among interest groups. The findings of her study reveal that lobbying success does not vary systematically across the interest group type. In more detail, neither the nature of the interest nor the organizational form is systematically associated with lobbying success during the policy formulation stage. This means that both concentrated interests and diffuse interests were found to be equally able to lobby successfully in the EU policy-making. Also, contrary to the findings of Eising (2007) she discovers that business interest groups with a large baggage of financial resources are not seen to be more successful than NGOs when lobbying on the EU policy-making.

2.3 Issue-specific level

On the issue-specific level, Bunea (2013) tests the policy environment in which issues are decided upon. She investigates lobbying success by testing an explanatory framework emphasizing an impact of policy environment on interest groups' preference attainment during the policy formulation stage of EU legislation in environmental policy. Her findings supplement Mahoney's (2007) work regarding the advocate's position on the case. She discovers that interest group preferences with a median position on the policy space, the preferences consistent with the status quo and demands for no regulation are more likely to be translated into policy outcomes. However, her findings fail to show any relationship between the issue salience and lobbying success that was found to be crucial in Mahoney's (2007) and Kluver's (2011) analysis.

Kluver (2011, p. 499) argues that“ lobbying success cannot be understood by only looking at individual group characteristics, it is necessary to acknowledge the issue-specific

grouping of interest groups into lobbying coalitions”. She discovers a new variable in the interest group research –the relative size of issue-specific lobbying coalitions. Using the quantitative text analysis tool *Wordfish*, she tests the size of lobbying coalitions, the salience of an issue to the interest groups, the issue complexity and degree of conflict on a large set of interest groups and policy issues. Her findings show that complexity and the degree of conflict on the policy issues do not have any relation with interest groups succeeding or failing in lobbying actions. However, the relative size of issue-specific lobbying coalitions were proved to be important determinants in lobbying success- the larger the interest group coalition lobbying on the same preferences, the more likely coalition participants will achieve their lobbying goals. Furthermore, interest groups that belong to the larger lobbying coalitions are likely to succeed more when the salience of issue to the interest group increases.

3. Theoretical framework

It becomes apparent from the above literature review that two theoretical approaches appear prominent in determining interest groups lobbying success: the issue-specific approach and interest group characteristics approach. This study builds on these two theoretical approaches, because the literature review has shown that scholars find diverging results when testing the same theories. Therefore, there is reason to test these theories further in order to build more conclusive results within interest group research. The institutional approach was not chosen, because this approach aims to investigate democratic accountability of policy-makers within different political systems, such as the EU political system or the US political system. The goal of this study is to analyse lobbying activities within one institution, this being the European Commission’s DG CLIMA. Therefore, the comparison of political systems is not relevant for this study and subsequently will not be included. The following describes the issue-specific approach and interest group characteristics approach in more detail and lays down the hypotheses for this research.

3.1 Issue specific-approach

The issue specific approach was investigated by Mahoney (2007) and Bunea (2013). In this approach three factors need to be described: the scope of an issue, the presence of countervailing forces and issue salience.

The scope of an issue refers to the degree of its policy implications. Advocates are less likely to succeed in their lobbying goals on the issues that have far reaching policy implications (Mahoney, 2007). Mahoney (2007, p. 40) notes that: “since large scope issues involve a larger number of vested interests and large portions of the general public, policymakers dealing with a large scope issue would not be well-advised to follow the lead of a single special interest”. The presence of countervailing forces refers to the number of competitors and number of opposing viewpoints an interest group faces when lobbying on an issue. The higher the number of competitors the more difficult it becomes to attain all the policy preferences. Similarly with opposing viewpoints – the more opposing viewpoints there are on an issue, the less likely an interest group will succeed in its lobbying activities (Mahoney, 2007).

This study attempts to analyse a third factor - salience of an issue. In the interest group literature issue salience is conceptualized in two ways:

1. Issue that is salient to the interest group itself;
2. Issue that is salient to the public.

The first approach considers issue salience for interest groups themselves. Issue salience in this case refers to the attention that an issue raises among interest groups (Kluver, 2011). The more salient the issue is for an interest group, the more bargaining will be involved on the policy outcomes which in turn will have negative impact on fully attaining policy preferences (Bunea, 2013, p. 556). In this approach, a concept of lobbying coalitions matters. Kluver (2011) argues that interest groups do not lobby in a vacuum and that it is necessary to consider the relationship between the interest groups lobbying on the same issue. Interest groups having the same policy preferences form lobbying coalitions. Depending on the relative size of the lobbying coalition, issue salience has negative or positive impact on the probability of interest group preference attainment. If interest groups belong to a larger coalition, salience is expected to have a positive effect on lobbying success. By contrast, if interests groups belong to the smaller lobbying coalition, an increase in salience is expected to have a negative impact on lobbying success since the number of competitors is on average higher than on issues of low salience (Kluver, 2011, p. 488).

In the second approach, issue salience to the public refers to the attention an issue attracts within society, the importance of issue to citizens. The more an issue is salient to the public the

more it is expected that policy makers will take into account more than a single view on that issue (Mahoney, 2007). Consequently, as an issue salience increases, a possibility for an interest group to fully attain all its preferences decreases.

The concept of issue salience that is used in this study is an issue that is salient to the public. This measure is consistent with previous research on EU lobbying (Mahoney, 2007). The following hypothesis is formulated:

***Hypothesis 1:** The more a policy issue is salient to the public, the less likely an interest group is to succeed in its lobbying.*

3.2 Interest group characteristics approach

Interest group characteristics approach provides us with the following variables: interest group type, financial resources of interest group and position of the advocate on the issue. These variables will be discussed in turn referring to the theoretical implications found in the literature review.

Interest group type

Lobbying success varies according to the nature of the interest (Olson, 1965; Kluver, 2012; Dur& De Bievre, 2007). The most prominent theory in this field is “logic of collective action” (Olson, 1965). The main argument of this theory is that diffuse interests find it more difficult to reach their policy goals than concentrated interests, due to the ‘free-rider’ problem, which is stronger when a group becomes larger. Concentrated interests refer to the groups representing private producer interests and diffuse interests represent public interest such as environment or health. As Hix&Hoyland (2011, p. 160) puts it: “There are high incentives to join a group that seeks benefits only for members of the group (private interests), and low incentives to join group that seeks benefits for all of society (public interests). Where public interests are concerned, people can simply ‘free ride’ on the actions of others: reap the benefits of higher environmental protection, for example, without helping an environmentalist group to lobby the government”. Relating to this idea, Dur and De Bievre (2007) adds that even if the diffuse interest groups manage to organize, they are not able to influence the decision making process as much as concentrated interests do. The reason behind this is the lack of resources required by decision makers to achieve their own preferences. Public interest groups do not hold information about

constituency preferences and market conditions which are required by policy-makers in order to increase their chances for re-election. Consequently: “with NGOs having little to exchange, politicians have no incentive to heed their demands” (Dur and De Bievre, 2007, p. 82). The following hypothesis is formulated accordingly:

***Hypothesis 2:** Interest groups representing business interests are more likely to succeed in lobbying than interest groups representing public interests.*

Referring to the issue salience to the public approach described in Section 1.1, Hypothesis 1 could be combined with Hypothesis 2. This means that a combination of issue salience with an interest group type can be tested. If an issue attracts interest of a large share of the society, policy makers are forced to take public opinion into consideration (Mahoney, 2007). Therefore interest groups representing public interests have more chances to achieve their goals on the salient issues. The following hypothesis will be tested:

***Hypothesis 3:** Interest groups representing public interests are more likely to succeed in lobbying on the highly salient policy issues than interest groups representing business interests.*

Financial resources of interest group

Coen (2007) argues that business groups have competitive advantage among public interest groups because of the capacity of financial resources they hold. The resource advantage of business has led many to call EU interest politics elite pluralist environment (Coen, 2007, p. 335). Eising (2007) tests a concept of elite pluralism in his empirical study on 800 business associations, which proves that among the organizational factors, the financial resources of interest organizations are of major importance. The larger income allows better division of labour, with a permanent staff. Well-endowed associations have much better access than poor associations, underscoring that EU lobbying needs substantial material backing (Eising, 2007). Furthermore, well-resourced interest groups are able to hire more employees, which Eising also considers to be a determinant of better access. Referring to the number of employees as an ‘economic weight’ he argues: the more economic weight an organization has, the greater are the public consequences of their discretionary decisions in the market and the more decision makers are interested in the functioning of the economic domains that business organizations represent (Eising, 2007, 337).

What is important to note here is that, despite the type of interest a group represents – whether it is a public interest or business interest - the amount of financial resources matters. Poorly resourced public interest organizations lose against the business interests, but less resourced business organizations also lose against the more resourced business organizations. The third hypothesis follows:

***Hypothesis 4:** Interest groups holding more financial resources are more likely to succeed when lobbying on EU policy-making.*

Position of an advocate on the issue

The last part of the interest group characteristics approach emphasizes the position of an advocate on the issue. Mahoney (2007) argues that lobbying success depends on the advocates' position on the policy issue - whether it is consistent with the status quo or targeting for a policy change. Interest groups lobbying for a policy change are trying to bring a new policy into the regulatory environment and therefore it is harder for them to influence policy makers with new ideas. Interest groups staying with the status quo are expected to be more successful as their policy preferences are less revolutionary. Accordingly, the last hypothesis reads:

***Hypothesis 5:** Interest groups lobbying for the status quo rather than for a policy change are more likely to succeed.*

4. Research design and methods

As for the research design I use a combination of cross-sectional design and co-variational case study design. The following briefly presents the structure of this design. Firstly, I choose two cases within the EU climate action policy field, which vary on the issue salience to the public variable. Consequently, two policy proposals are picked - highly salient to the public and low salient to the public. Secondly, I select eight interest groups that lobbied the high salient proposal and eight interest groups that lobbied on the low salient policy proposal. Thirdly, to measure lobbying success of selected interest groups on the two policy proposals I use a 'preference attainment method' proposed by Dur (2008) and applied by Bunea (2013). This method compares policy preferences of interest groups with policy outcomes. To define preferences of interest groups I analyse official documents submitted by interest groups to the Commission

during the policy formulation stage of the policy cycle, more specifically – the public consultation stage. Public consultation is launched by the Commission itself before it adopts a final legislative proposal. As it is more difficult to change a legislative initiative once a formal proposal is already on the table, the policy formulation stage of the policy cycle offers the most promising opportunities to shape the outcome of a legislative debate (Kluver, 2012). To define policy outcome I investigate a final legislative proposal adopted by the Commission following the consultation. Finally, I estimate each interest group's preference attainment according to the policy outcome. The following explains these parts of the research design in more detail and provides more information on the operationalization of variables.

4.1 Selection of policy issues

Two cases under examination were selected in the EU climate action policy field. This policy field was chosen because the Directorate-General for Climate Action (DG CLIMA) was established in the 2010 and is yet to receive much attention from scholars. Selection of policy issues in the climate action field was made according to two criteria: (1) the issue had to be subject to the public consultation followed by the legislative proposal adopted by the Commission; (2) one issue had to be highly salient to the public and another low salient. Applying this criteria, I researched the *Your Voice in Europe* database and chose two legislative policy proposals: **a highly salient proposal – amendment to the Regulation (EC) 443/2009 to define modalities for reaching the 2020 target to reduce CO2 emissions from new passenger cars** and **a low salient policy proposal – amendment to the Regulation 1031/2010 to determine the volumes of greenhouse gas (GHG) emission allowances to be auctioned in 2013-2020**. The first proposal was subject to public consultation in 2011, the second in 2012.

Selected policy issues were checked in the *Lexis-Nexis* database in order to prove their presumed salience to the public. The *salience of an issue* was measured relying on the method used by Mahoney (2007). She measures public salience of each policy issue by assessing the amount of news coverage from a major newspaper in each sphere. Following this method this study examined a number of *Financial Times* articles on each issue over a five years period. After completing the search through the *Lexis-Nexis*, the results showed that the issue on the reduction of CO2 emissions from cars was raised in 54 articles in the *Financial Times* newspaper while the issue on the GHG emission allowances to be auctioned received coverage in only 7

articles. This proves the validity of case selection – they differ highly on the issue salience to the public variable. Moreover, citizens participated more actively in the public consultation on reduction of CO2 emissions from new passenger cars rather than in the public consultation on GHG emission allowances to be auctioned. The number of citizens who submitted their comments to an online public consultation on the former proposal was 3096. In comparison, the number of citizens who submitted comments on the latter proposal was 21.

According to Blatter&Haverland (2012, p. 42), cases have to vary as much as possible on independent variables and be similar with regard to control variables. In order to be sure that cases differ only on the issue salience variable, I control for the EU policy field, which is climate action policy. Moreover, I choose two policies that belong to the jurisdiction of DG CLIMA.

4.2 Selection of interest groups

I have randomly selected four European associations representing industry and four large environmental NGOs that lobbied on the highly salient policy proposal. The same selection was made on the low salient proposal (Table 1). This study aims to research preference attainment of European associations representing industry and large environmental NGOs, therefore, positions of companies, public authorities, think tanks and other types of interest group organizational forms are excluded from this study.

Selection of, on the one hand industry organizations and on the other hand NGOs, assures variation in interest group preferences, because industry organizations and public interest organizations usually have diverging positions on EU environmental policy. Such selection also suggests variation in interest group financial resources – NGOs are usually less resourced than business organizations. If there would be no variation in financial resources among interest groups found, the cases would have been changed to ones that have variation with regard to this variable. In this study financial resources of interest group are measured by looking at the number of employees that are involved in lobbying activities. The number of employees is a commonly used indicator for measuring financial resources of an interest group, since interest groups often refuse to provide information concerning lobbying expenses or the size of their budget directly (Mahoney 2007; Kluver, 2012). Data on the number of employees involved in lobbying activities was retrieved from *the Transparency register*. The same information source was used to retrieve data on the interest group type.

Table 1 Interest group selection

	European business associations	NGOs
High salient issue	4	4
Low salient issue	4	4

4.3 Measuring lobbying success

For measuring interest group influence Dur (2008) suggests three methods: process tracing method, the ‘attributed influence’ method and preference attainment method. In this section I review the strengths and weaknesses of these methods in turn and then select one that will be applied in this study.

4.3.1 Process-tracing method

The process-tracing method attempts to identify the intervening causal process – the causal chain and causal mechanism – between an independent variable and the outcome of the dependent variable (Dur, 2008, p. 562). Simply put, this method seeks to trace the steps by which causes affect the outcomes.

The advantage of this model is that it is applicable to the small-N studies. This allows a researcher to analyse the case in detail and find out all the factors that had influence on the outcome. Also the process-tracing method relies on interviews of the interest group members or decision makers, this is a rich information source for small-N studies. However, the method has more weaknesses than strengths. For example, small-N studies are difficult to generalize. The process-tracing method is usually applied to one policy field or a particular type of interest group and has limited relevance to the interest group research. Moreover, the information received from the interviews is not always objective. Lobbyists or decision makers provide information that is to their advantage and is based on personal views. For example, public interest groups understate their influence against the business interest and vice-versa. Such information may be difficult to cross-check against other sources. Lastly, it is difficult to collect empirical evidence precise enough to cover all steps of a causal process (Dur, 2008, p. 563). The lack of resources may result in the underestimation of influence. As Dur (2008, p. 563) put it “the absence of proof may be taken as proof of absence”.

4.3.2 The ‘attributed influence’ method

The second method for measuring interest group influence is measured by way of surveys. During a survey interest groups are asked to evaluate their own influence or to evaluate influence of other interest groups. Although the method is relatively simple, it faces similar weakness as the process-tracing method – overestimation or underestimation of influence. It does not prove the actual influence but rather assesses perceptions of influence (Dur, 2008, p. 566). As Dur puts it:

“Self estimation can be biased both towards an exaggeration of influence and playing down of influence. The former may result from associations stressing the relevance of their work to their members, whereas the latter may be a strategy to avoid the creation of counter lobbies, which may spring, up to stem the perceived influence of a specific actor” (2008, p. 565).

So interest groups evaluate their own influence and influence of other interest groups according to their own point of the view. The other problem in this case emerges that, usually the self-estimation of interest group does not match with its estimation by other interest groups.

4.3.3 Preference attainment method

This method compares the outcomes of political processes with the ideal points of actors. The aim is to measure how much the policy preferences of interest groups are reflected in the final policy document adopted by the decision-makers. The preference attainment method has a couple of advantages when compared to the process-tracing method. Firstly, it detects influence even if nothing visible happens (Dur, 2008, p. 567). This means that even if the lobbying process is not disclosed to the public, the influence of an interest group will be visible in the outcome documents, which are always publicly available. Secondly, the method can be applied to large-N studies, which allows for a generalization of the findings. When applying the preference-attainment method a researcher faces three main hurdles. First of all, determination of the preferences can be tricky. The preferences of the actors are usually collected through the interviews. As mentioned above, this way of collecting information from the actors may result in preference over- or under- estimation. The problem is that such interviews are likely to uncover the possibly strategic position of actors rather than the underlying preferences (Dur, 2008, p. 568). The second hurdle is to control for alternative factors that can explain the outcome. A researcher has to plan his research design very carefully to control for alternative factors that

may be relevant in explaining the outcome. Finally, coding the degree of influence can be challenging. How can one decide whether an interest group's influence is high, low or medium? This requires a disaggregation of policy decisions into very specific issues (Dur, 2008, p. 569). Furthermore, a disaggregation of large-N policy decisions into separate issues is time consuming and labor intensive.

4.3.4 Application of the preference attainment method in this study

To measure lobbying success in this study I choose the preference attainment method, which compares policy preferences of interest groups with policy outputs in order to draw conclusions about the winners and losers of a decision-making process (Kluver, 2011; Mahoney, 2007; Bunea, 2013). To be more specific, I follow application of this method in Buena's (2013) study.

Bunea (2013) researched interest group preference attainment in the five most current policy proposals in the EU environment policy. To identify the content of policy proposals, the author disaggregated proposals into separate policy issues. Each policy issue received an ordinal scale to estimate interest group preferences. Each preference received a value indicating that it is substantially different from the others while expressing the rank of each preference relative to each other in terms of the underlying policy dimension characterizing each issue (Bunea, 2013). This value was used in the dataset to indicate a group's preference on the issue. Policy outcome was measured by extracting the policy alternative chosen by the Commission in its final policy proposal. Finally, the correspondence between preferences and outcomes was investigated.

I apply this preference attainment method approach into another EU policy field – climate action. In addition to expanding the method to another policy field, I use my own way of selecting policy proposals for the research. Instead of selecting the most current events in the climate action field, I select two proposals that vary on their salience to the public variable. This allows me to determine the lobbying success not only according to the interest group characteristics variables, but also on the issue salience variable. The application of the method proceeds as follows. First, I disaggregate both policy proposals into the policy issues. Such disaggregation will be executed according to the issues identified in the Commission's consultation call document issued prior the consultation. Each policy issue receives a scale in order to identify preferences. Second, I determine each interest group's preferences by examining their official position document submitted to the public consultation. In this way each

preference is assigned a value according to the scale. Third, I examine the final policy proposal adopted by the Commission following the consultation. A preference expressed by the Commission on each policy issue receives a value according to the same constructed scale. Finally, I investigate the matching between interest group preferences and the Commission's preferences expressed in the final policy proposal. Interest groups that receive the most matches are considered to be the most successful in achieving their policy goals.

The last thing that needs to be addressed with regard to the application of the preference attainment method is passing the three hurdles touched on earlier in this paper. The first hurdle is reliable determination of the policy preferences. This is not an issue in this study because lobbying group preferences are determined not through the interviews but through analysis of official written submission documents to the Commission's public consultation. This ensures that preferences are not misinterpreted by actors or the author. Moreover, the analysis of written submissions has a strong justification in the literature, which emphasizes the high levels of institutionalization of the dialogue between policy-makers and interest groups at the EU level (Bunea, 2013). Second hurdle, is controlling for alternative factors that can explain the outcome. In Section 2 I reviewed interest group literature searching for the factors previous studies used when measuring lobbying success. Recall that there were three levels of factors detected - institutional, issue specific and interest group factors. This study attempts to measure lobbying success on the issue level and interest group level factors. Therefore all the factors of both levels are included as independent or control variables in the research design. This enables me to find out which factors had influence on the preference attainment and reject alternative factors that did not. Third hurdle, is coding the degree of lobbying success. This hurdle is eliminated through disaggregation of policy proposals into the specific issues. Disaggregation allows measuring preference attainment issue by issue and evaluating lobbying success in percentages.

Additionally, generalization of the findings of this research may be considered a hurdle as it analyses just one EU policy field. However, the aim of the study is not to apply the findings to other EU policy areas but more to the salient or not salient EU climate action policy proposals.

5. Description of cases

This section outlines the key points of the two cases under selection: **highly salient proposal** - amendment to the Regulation (EC) 443/2009 to define modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars, and **low salient policy proposal**- amendment to the Regulation 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020.

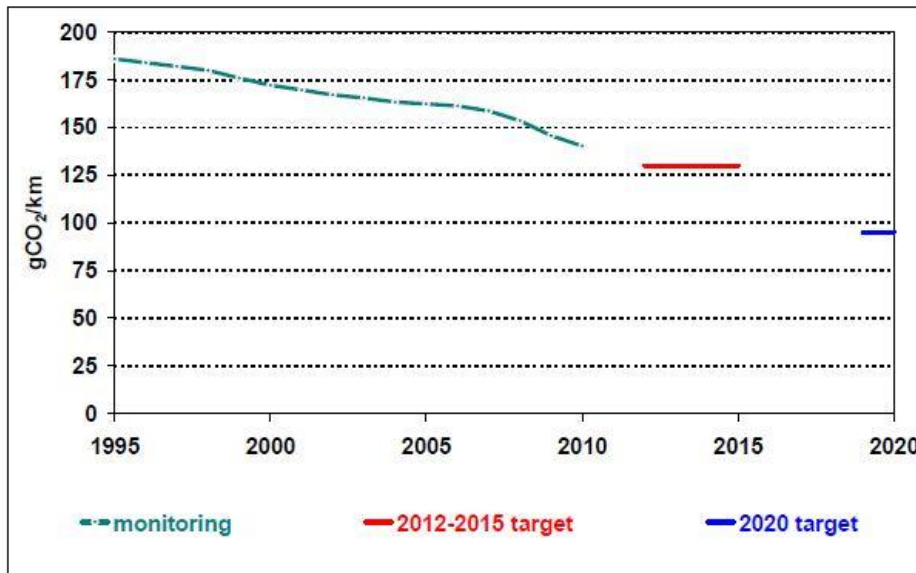
5.1 First case: amendment to the Regulation (EC) 443/2009 to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars

The first attempt to reduce CO₂ from cars was a strategy developed in 1995. The strategy was based on voluntary commitments within the car industry to cut emissions to 140g CO₂/km by 2009. However, the strategy was not binding and therefore did not bring expected results. In 2004 carbon emissions reached 163 g CO₂/km. Even though this marked a progress in meeting the 140g CO₂/km target in 2009, Commission reported (2007) that an overall EU objective of reducing emissions to 120g CO₂/km by 2012 would not be met. Consequently, in 2007 the Commission issued a second strategy to reduce CO₂ emissions from road vehicles. This time the proposal was binding and set a legislative framework for reaching the targets by 2020. Following the Commission's proposal, in 2009, the European Parliament and the Council adopted Regulation (EC) 443/2009 setting mandatory targets for cars to reduce emissions to 130g CO₂/km by 2012-2015 with a provisional target of 95g CO₂/km by 2020 (See Figure 1).

The proposal for the Regulation to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars marks the third attempt by the Commission to reduce CO₂ emissions from road vehicles. This regulation is an amendment to the existing Regulation 443/2009. Its aim is to confirm the feasibility of the provisional target of 95g CO₂/km by 2020 and set the measures to ensure that this target to reduce emissions is reached. Even though, the amount of emissions was reduced to 132 g CO₂/km by 2012, according to the Commission's Impact Assessment (European Commission, 2012d), without setting further modalities, the 2020 target would not be met. What is more, an amendment to the current Regulation is required in order to set the long-term targets aimed at further reduction of CO₂ post-2020. The proposed modalities include confirmation of the limit value curve, excess

emissions premium, derogations, manufacturer pooling, eco-innovations and super-credits. As these modalities are used in the next section when disaggregating policy issues, it is necessary to briefly introduce the reader to each modality.

Figure 1 Long term trend in car CO2 emissions



Source: *European Commission (2012d)*

Limit value curve is a measurement that determines vehicle emission limits according to their mass. The curve is set in such a way that a fleet average of 130 grams of CO₂ per kilometer should be achieved by 2015 and 95 grams of CO₂ per km by 2021. “The limit value curve means that heavier cars are allowed higher emissions than lighter cars while preserving the overall fleet average. Only the fleet average is regulated, so manufacturers are still able to make vehicles with emissions above the limit value curve provided these are balanced by vehicles below the curve” (DG CLIMA, 2014b).

Excess emissions premium is a penalty payment for exceeding the emissions. This measure was designed to ensure the compliance with the target. A manufacturer has to pay a penalty if the actual average vehicle emissions of a manufacturer’s entire fleet exceed the manufacturer’s target. Regulation 443/2009 sets a penalty of €95 per g/km per vehicle from 2015 (Council Regulation (EC) No 443/2009).

Derogation is a modality applied to particular manufacturers enabling them to have targets that are independent of the limit value curve. Derogations are designed for these particular manufacturers to help them maintain their businesses and avoid being jeopardized by large manufacturer firms. Regulation 443/2009 allows manufacturers responsible for fewer than 10 000 new passenger cars registered per calendar year to be excluded from the obligation of meeting the CO₂ target (Council Regulation (EC) No 443/2009).

Pooling is a modality allowing manufacturers to form a pool and meet the targets in a less costly way. When forming a pool, manufacturers must respect the rules of competition law and the information that they exchange should be limited to average specific emissions of CO₂, their specific emission target, and their total number of vehicles registered (DG CLIMA, 2014b).

According to the Commission's Impact Assessment (European Commission, 2012d), **eco-innovations** are modalities that contribute towards reaching the targets since they cover technologies that reduce CO₂ outside the test procedure. A manufacturer will deploy an eco-innovation only if it is cost-effective thus the provision is expected to reduce overall compliance costs and the existence of the modality encourages innovation.

Super-credits are incentives for manufacturers to produce vehicles with low emissions (below 50g/km). Regulation 443/2009 sets the rules such that each low-emitting car is counted as 3.5 vehicles in 2013, 2.5 vehicles in 2014, 1.5 vehicles in 2015 and 1 vehicle from 2016 onwards in contributing to manufacturers' CO₂ targets for their entire fleet (Council Regulation (EC) No 443/2009).

5.1.1 Identification of interest groups

Prior to adopting the Regulation 443/2009 amendment, DG CLIMA has organized a consultation of interested parties. Stakeholders were consulted through an online public consultation and a stakeholder meeting. An online public consultation was held between 19 September and 9 December 2011. The consultation attracted a high number of respondents from the civil society side. From the overall number of 3233 replies, 3096 replies were received from citizens. 137 responses were received from organized stakeholders, with very active participation from professional associations and NGOs (European Commission, 2011). A stakeholder meeting was held on 6 December 2011 with 76 participants. The meeting revealed diverging views by

environmental groups and manufacturers with regard to the mandatory CO2 reduction target for 2020 and derogations for certain manufacturers. Environmental groups lobbied for strengthening regulation with stricter targets and manufacturers lobbied for the status quo or less regulation.

This research selected eight interest groups that lobbied on the amendment to the Regulation 443/2009 and were involved either in the online public consultation or stakeholder meeting. Four interest groups from each side were selected for analysis: four large NGOs including Greenpeace, World Wildlife Fund (WWF), International Council on Clean Transportation (ICCT) and Transport and Environment (T&E) and four European organizations representing industry including European Automobile Manufacturers Association (ACEA), European Association Automotive Suppliers (CLEPA), European Aluminium Association (EAA), European Small Volume Car Manufacturers Alliance (ESCA). Table 2 summarizes the interest groups selected for analysis on the first case.

Table 2 Selection of interest groups that lobbied on the first case

Nr.	Name	Type
1	Greenpeace	NGO
2	World Wildlife Fund (WWF)	NGO
3	International Council on Clean Transportation (ICCT)	NGO
4	Transport and Environment (T&E)	NGO
5	European Automobile Manufacturers Association (ACEA)	Industry
6	European Association Automotive Suppliers (CLEPA)	Industry
7	European Aluminum Association (EAA)	Industry
8	European Small Volume Car Manufacturers Alliance (ESCA)	Industry

Table created by the author using information extracted from the *Transparency Register.eu*

5.2 Second case: amendment to the Regulation (EU) 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020

The second case that I have selected for my research is also an amendment to an existing Regulation within the EU Climate action policy field. A proposal to determine the volumes of GHG emission allowances to be auctioned in 2013-2020 is an amendment to Regulation 1031/2010 (Auctioning Regulation). This amendment was initiated by the Commission in 2012

in order to reduce the surplus of emission allowances that had built up in the EU emissions trading system (EU ETS), mainly due to the 2008-2009 economic crisis.

Since 2009 the EU ETS has faced a growing surplus of allowances, which significantly weakened the carbon price signal (DG CLIMA, 2014c). By 2012, the surplus had built up to two billion allowances. It is expected to grow even more until 2020. According to DG CLIMA (2014), if these balances are not addressed they will affect the ability of the EU ETS to meet more demanding targets in the future in a cost-effective manner. In 2012, the Commission issued a public consultation² on its draft proposal to amend the amount of allowances that have been defined in the Auctioning Regulation. The Commission in its draft proposal suggested to decrease the number of allowances in 2013-2015 and to increase by the same amount of allowances in 2016-2020. This process is called “back-loading” of allowances. Together with a draft proposal, the Commission provided a Staff Working Document (European Commission, 2012), where it listed three options for “back-loading” (Table 3):

- **Option 1** represents a large change in the auctioning time profile³ with a reduction of 1200 million allowances during 2013-2015. According to the Staff Working Document (European Commission, 2012, p. 21), “this would result in a large reduction in the surplus in 2013. By 2015 the surplus would be below 1 billion unused allowances compared to the option where no changes in the auction time profile were implemented. After 2015 the auctioned amounts would increase significantly, resulting in an issuance of allowances above future emission levels. This would drive a re-emergence of the surplus”. Option 1 with a large change in the auctioning time profile is likely to give strong support to prices in the years 2013 to 2015, but would put downward pressure on prices in 2016-2020 (European Commission, 2012). Consequently, a reduction of 1200 million allowances would not bring sustained stability to the auctioning time profile.
- **Option 2** is a medium change in the auctioning time profile with a back-loading of 900 million allowances in the years 2013-2015. Taking this option, the surplus would be larger than a billion by 2015. “The annual decrease of the surplus in the years 2013 to 2015 would be much slower than the build-up in 2011 and 2012 and some of the existing

²Public consultation available at http://ec.europa.eu/clima/consultations/articles/0016_en.htm

³Volumes of allowances to be auctioned each year defined in the Auctioning Regulation 1031/2010.

surplus will need to be used for compliance purposes. As such it is expected to support prices but less than the option with large degree of back-loading. Again, given that this is only a temporary reduction, after 2015 the auctioned amounts actually start increasing compared to a case where no changes in the auction time profile were implemented. Even though the auctioned volumes increase by less than under the option with a large degree of back-loading, total issuance of allowances potentially remains above future emissions” (European Commission, 2012, p. 22). In contrast to the large change option, a medium change option would give less support to prices in 2013 to 2015, but it would put lower downward pressure on prices in 2016-2020 (ibid).

- **Option 3** is a small change in the auctioning time profile with back-loading of 400 million allowances. “This option would result in a continued but much more limited increase in the surplus in 2013. Reductions of the surplus in 2014 and 2015 remain limited, with the surplus in 2015 still at levels similar to 2012. After 2015 the auctioned amounts increase considerably less than in the two other options with issuance of allowances potentially at a level close to total emissions, at least supporting prices at that point in time” (ibid).

Table 3 Options to revise auction time profile (in million allowances)

Change in auction time profile	2013	2014	2015	2016	2017	2018	2019	2020	Total 2013–2020
Large change	-550	-400	-250	240	240	240	240	240	0
Medium change	-400	-300	-200	180	180	180	180	180	0
Small change	-200	-150	-50	80	80	80	80	80	0

Source: European Commission (2012).

5.2.1 Identification of interest groups

In the public consultation, which took place between 25 July 2012 and 16 October 2012, the Commission invited all interested parties to provide their comments on the Commission’s draft for an amendment to the Auctioning Regulation and especially on the options of allowances that need to be back-loaded. An issue on the back-loading of allowances did not attract as much interest from stakeholders as the case on reducing CO2 emissions from new passenger cars (Section 5.1). Overall the Commission received 151 contributions from the online public

consultation. Out of these only 21 contributions came from citizens (European Commission, 2014). Professional organizations and companies took the most active part in consultation – 79 contributions. 10 contributions were received from NGOs (ibid). NGOs generally expressed support for the amendment to the auctioning profile. However, in their view, the Commission should back-load no less than 1.4 billion allowances. Moreover, such number of back-loaded allowances should be a permanent measure with no increase before 2020(ibid). European business organizations in general were not supportive of the amendment. They considered the Commission’s proposal as a market intervention resulting in emission allowance price increase. Moreover, they were concerned about the Commission’s attempt to implement short-term measures in the auctioning profile and lobbied for long-term measures instead.

I have selected four NGOs and four European business representatives that lobbied on the amendment to the Auctioning Regulation. Selected interest groups are displayed in Table 4.

Table 4 Selection of interest groups that lobbied on the second case

Nr.	Name	Type
1	Greenpeace	NGO
2	World Wildlife Fund (WWF)	NGO
3	Climate Action Network Europe (CAN-E)	NGO
4	Green Budget Europe (GBE)	NGO
5	Association of European Airlines (AEA)	Industry
6	BUSINESSEUROPE	Industry
7	European Steel Association (EUROFER)	Industry
8	European Man-made Fibres Association (CIRFS)	Industry

6. Preference attainment on the amendment to Regulation (EC) 443/2009 to define the modalities for reaching the 2020 target to reduce CO2 emissions from new passenger cars

This section applies the preference attainment method on the first case under examination – a high salient policy proposal. First, a disaggregation of policy proposal into policy issues is executed, which provides basis for the preference scale - main measurement for preferences. Second, preferences of eight interest groups are investigated and assigned a value from the scale (Preference 1, Preference 2, Preference 3 or Preference 4). After, the Commission’s final

proposal for this study's first case Regulation, which serves as policy outcome, is analysed and assigned a value from the constructed scale. Finally, comparison between interest group preferences and final outcome according to the scale allows for systematic determination of which interest groups got the most preferences reflected in the final policy proposal.

6.1 Disaggregation of policy issues

Disaggregation of policy proposal into policy issues was found to be a more difficult task than expected. The initial plan was to use Bunea's method (2013) of identifying policy issues based on the Commission's consultation document issued prior the consultation. However, the Commission's issued consultation questionnaire for an online public consultation between 19 September and 9 December 2011 contained mainly general questions about the reduction of CO₂ from road vehicles rather than questions on relevant modalities that need to be defined in the final policy proposal. In other words, a questionnaire, as an identifier for policy issues, was found to have low correspondence with the actual policy outcome. Using only a questionnaire for disaggregation of policy issues would have made preference attainment impossible. To overcome this limitation in preference attainment research, I used the current Regulation 443/2009 as a benchmark for disaggregation of policy issues. Regulation 443/2009 contains targets and modalities that run up until 2015 and provisional targets and modalities set for 2020. Recall from Section 5.1 that the Regulation under investigation is aimed to amend regulation 443/2009 and confirm CO₂ reduction target for 2020 as well as define modalities for reaching the target. The content of Regulation 443/2009 provides me with a strong basis for identifying and disaggregating policy issues. Moreover, it ensures that disaggregated policy issues will be reflected in the final outcome – amendment to the Regulation 443/2009. The aforementioned consultation questionnaire was used as an additional document for recognizing the policy issue on long-term targets post-2020, which was not mentioned in the existing Regulation 443/2009 but is reflected in the amendment to the Regulation 443/2009.

A combination of issues contained in the current Regulation 443/2009 and the online consultation questionnaire enabled me to formulate seven policy issues⁴:

- 1) Target to cut emissions to 95g CO₂/km by 2020 for new passenger cars;
- 2) Setting long-term indicative targets post-2020⁵;

⁴More information on policy issues in Section 5.1.

- 3) Derogations for certain manufacturers;
- 4) Setting super-credits for post-2020 period;
- 5) Eco-innovations inclusion in the Regulation;
- 6) Utility parameter for measuring limit value curve;
- 7) Penalties for excess emissions.

Each policy issue received a preference scale (Preference 1, Preference 2, Preference 3, Preference 4). The preference scale was designed in a way that Preference 2 reflects an existing Regulation 443/2009 – the status quo. Preferences 1, 3 and 4 reflect preference for a policy change. A disaggregation of policy issues and constructed preference scales are displayed in Table 5.

⁵Issue extracted from the consultation questionnaire, available at http://ec.europa.eu/clima/consultations/articles/0012_en.htm

Table 5 Disaggregation of policy issues and construction of preference scales (Case 1)

Policy issue	Preference 1	Preference 2	Preference 3	Preference 4
Target to cut emissions to 95g CO₂/km by 2020 for new passenger cars	target amount lower than 95g CO ₂ /km	target amount equal to 95g CO ₂ /km	target amount higher than 95g CO ₂ /km	
Setting long-term indicative targets post-2020	no long term targets	long-term targets for 5 years or less	long-term targets for 6-10 years	long-term targets for more than 10 years
Derogations for certain manufacturers	no derogations allowed	derogations allowed		
Setting super-credits for post-2020 period	no super-credits	super-credits need to be maintained at the same level as before 2020	super-credits need to be maintained but with stricter rules	
Eco-innovations inclusion in the Regulation	no inclusion of eco-innovations	inclusion of eco-innovations		
Utility parameter for measuring limit value curve	size based utility parameter	mass based utility parameter	other	
Penalties for excess emissions from 2020	no penalties	penalties need to be maintained		

6.2 Interest group preferences

Interest group preferences were extracted from four sources: (1) official position papers issued by interest groups for the consultation “Reducing CO₂ emissions from road vehicles”⁶, (2) responses to the Commission’s consultation questionnaire issued for an online-public consultation in 2011⁷, (3) summary of positions expressed in the stakeholder meeting held on 6 December 2011⁸, (4) interest group web sites. These sources provided valuable data for determining preferences. However, not all the interest groups expressed preferences on all the policy issues under investigation. Preferences that were not addressed by interest groups will not be counted in the overall preference attainment in Section 6.4.

NGOs preferences

Greenpeace, WWF, ICCT and T&E all took an active part during the consultation stage held before the Commission’s proposal for a regulation to define modalities for reducing CO₂ emissions from new passenger cars. NGOs provided responses to the questionnaire as well as additional position documents where they emphasized their clear preferences and disagreements with the Regulation. They also expressed their interest through participation at the stakeholder meeting on reducing CO₂ emissions from road vehicles. The main preference among environmental NGOs was to encourage tighter targets for the car manufacturers than what was proposed in the co-decision of the Regulation (EC) 443/2009. Even though, the Commission’s amendment to the Regulation aimed to gather views mainly on the measures for implementing the mandatory target of 95g CO₂/km for new passenger cars, NGOs tried to form a convincing argument to show that a stricter target is feasible. Greenpeace, for example, claimed that:

“Once the EU’s first legally binding CO₂ targets were set, car manufacturers have been advancing not only faster than before but even faster than required by the law. According to projections by the European Commission, the EU’s 130 gCO₂/km target is likely to be achieved earlier than set out in the law. Clearly, even greater improvements are possible if also those companies that have chosen to advance more slowly are legally obliged to accelerate

⁶Link to the consultation page http://ec.europa.eu/clima/consultations/articles/0012_en.htm

⁷ Responses available at http://ec.europa.eu/clima/consultations/docs/0012/registered/registered_en.pdf

⁸ Summary of the meeting available at http://ec.europa.eu/clima/events/docs/0048/meeting_summary_en.pdf

improvements” (Greenpeace, 2011, p. 2).

Greenpeace urged the Commission to re-assess the target for 2020 to 80g CO₂/km and 60g CO₂/km for 2025. They stated that these targets are achievable by implementing all available efficiency technologies for petrol and diesel cars, or by combining efficiency advances in conventional vehicles with the introduction of battery and fuel cell electric vehicles (ibid). Moreover, they presented calculations showing that implementation of stringent CO₂ standards could reduce oil consumption of cars and vans by 42 million tons in 2020 and 58 million tons in 2030 (Greenpeace, 2011). Same as Greenpeace, T&E lobbied for 80g CO₂/km target for 2020 and 60g CO₂/km for 2025 explaining that the current target is not strict enough to meet climate change objectives. WWF argued that the target is not strict enough and it should be 80g CO₂/instead of 95g CO₂/km in order to reach the 80-95% reduction target, which Europe has agreed to achieve by 2050. Differing from the other NGOs, ICCT was happy to stay with the status quo on this issue. They saw progress from 2007 in complying with targets and even claimed to foresee over-compliance with the 130g CO₂/km target by 2015 (ICCT, 2011).

The issue of setting long-term indicative targets post-2020 was addressed by responding to the questionnaire issued for the public consultation. To a question “Please specify for what time period long-term indicative targets should be set?”, interest groups could choose from options “5 years”, “10 years”, “15 years”, “20 years”⁹. Greenpeace, WWF and T&E answered “5 years” which is in line with their expressed positions in the official policy papers. Again, ICCT had a different preference of setting the long-term time period to 15 years. On the third issue regarding derogations for certain manufacturers, no preferences by NGOs were found in the positions papers or any relevant documents issued during the public consultation stage. Derogations or any other allowances for small manufacturers to be excluded from the scope of the Regulations were not addressed by interests groups. Consequently, no judgment can be made as to whether the interest groups are in favor or against this issue. On the topic of penalties, all interest groups except ICCT had a position. Greenpeace suggested penalizing the most polluting vehicles (Greenpeace, 2007). WWF proposed a compliance scheme similar to the compliance scheme of the EU-ETS: “At the end of the target period, vehicle manufacturers shall pay a

⁹Questionnaire available at http://ec.europa.eu/clima/consultations/articles/0012_en.htm

penalty in range of 10€ for every kJ – or 0.001MJ – which they ‘overshoot’ the fleet efficiency target, for every vehicle sold (WWF, 2007). T&E stated that penalties as a compliance mechanism should end as of 2012. As Jos Dings, Director of T&E put it: ”We do not want car makers to pay, we want to see more efficient cars!!” (T&E, 2007).

Super-credits and eco-innovations were treated skeptically by Greenpeace, WWF and T&E. The general preference was to exclude these tools from the Regulation amendment, because they only lead to higher CO₂ emissions. Only WWF was in favor of maintaining eco-innovations as a modality to reduce CO₂ emissions from new passenger cars. ICCT didn’t express its preference on any of these issues.

Finally, the utility parameter measurement was the only issue where all NGOs had a preference that differed from the status quo. Neither of them saw mass as an appropriate utility parameter. Greenpeace, T&E and ICCT expressed a preference for the size-based parameter over mass-based. Mass-based parameter means that heavier cars are subject to a less strict CO₂ limit, making weight reduction a less attractive measure to reduce CO₂ emissions (ICCT, 2011). Mass parameter encourages car manufacturers to increase weight in order to receive a higher target. Size parameter would be more neutral and help to avoid perverse effects. WWF urged to change mass parameter into energy-based one.

Industry preferences

ACEA was the most actively involved organization throughout the whole policy cycle of drafting the Regulation 443/2009 and the subsequent amendment process in 2012. Already prior to setting mandatory CO₂ targets for cars, ACEA argued that the industry had delivered on the voluntary targets and only the industry’s commitment delivered (European Commission, 2007). ACEA called for subsidiary and involvement of other parties in reaching the targets. At the stakeholder meeting in 2011, they expressed their concerns that the target of 95g CO₂/km for new passenger cars by 2020 is extremely challenging. They claimed that European targets are the most stringent in the world and much more stringent than in the US, China or Japan. Even though, ACEA didn’t show much support for the Commission’s target, they did not express any disagreement with it or a preference for reductions or changes. Therefore, the preference in this case is not clear and is not included in the dataset to avoid misinterpretation. With regard to

setting long-term targets post-2020, ACEA had no clear preference on this matter either. ACEA said “that agreement was needed on where to go, but there was no industry position on this topic yet” (European Commission, 2011a). Concerning, derogations for certain manufacturers, ACEA supported derogations for small series manufacturers and to M1¹⁰ vehicles derived from N1¹¹ vehicles. (ACEA, 2007). Super-credit and eco-innovation inclusion in the Regulation amendment received high support from ACEA:

“It is in everyone's interest to get clean vehicles on the roads, and super-credits are the only EU-wide incentive to help put on the market today the technologies of the future.” (IvacHodac, ACEA Secretary General).

Contrary to the NGOs preference to change the utility parameter into a size-based or energy-based, ACEA expressed clear preference for keeping the utility parameter based on mass. They argued that the correlation between CO₂ and mass is better than with a size-based parameter. Moreover, ACEA noted that a size-based parameter does not reflect the actual utility of the vehicle (European Commission, 2011a). On the last issue of penalties for excess emissions, the preference in ACEA official position documents was not found and therefore not included in the dataset.

CLEPA issued a policy paper in which they clearly list their preferences with regard to the amendment to the Regulation (CLEPA, 2012). On the first issue of setting the targets for cars by 2020, CLEPA did not express any disagreement with provisional target. They considered a 95g CO₂/km target feasible with available technologies by 2020. It was suggested that long-term targets be set for achievement by 2025. However, no indication was given as to what that target should be. Derogations as well as penalties were not addressed in the position document and therefore not included in the preference attainment. CLEPA (2012) argued that eco-innovations should be maintained in 2020 and beyond. As well, super-credits that support the market introduction of innovative low emission vehicles without putting into question the environmental integrity of the CO₂ legislation are welcomed by CLEPA (ibid). Concerning the utility parameter, CLEPA had no objections to the continued use of the mass parameter.

¹⁰Vehicles used for the carriage of passengers and comprising not more than eight seats in addition to the driver's seat

¹¹Vehicles used for the carriage of goods and having a maximum mass not exceeding 3.5 tones.

EAA was mainly concerned with an issue regarding the utility parameter. They expressed their strong disagreement for the utility parameter to remain mass-based. Similarly to NGOs, they argued that a size-based parameter would be most suitable as it reflects the actual utility and is technology neutral (EAA, 2011). According to EAA (2011), a technology neutral utility parameter would be fairer since the car manufacturers would be allowed to use any CO₂ reducing method they want in order to achieve their target emission level. Another issue, which received EAA's attention, was setting long-term targets post-2020. On this matter, the organization stated preference for 5 years long-term targets. Concerning other issues, preferences of EAA were not found.

For ESCA the most important issue was to see derogations for small manufacturers to be included in the amendment to the Regulation. They argued that ESCA member companies have more limited resources compared to larger manufacturers when it comes to adapting to new regulation. Moreover, small manufacturers in comparison to mass manufacturers, face a challenge when introducing CO₂- reducing technologies within a short period of time (ESCA, 2011). With regards to the target of 95g CO₂/km for cars, ESCA confirmed its support on this matter. They also agreed that super-credits and eco-innovations are necessary elements of the new Regulation: "ESCA's member companies are dedicated to the development of innovative technologies and appreciate that such innovations are recognized" – ESCA stated on their official website¹². Long-term targets were seen as necessary for a 10-year period. There was no opinion expressed with regard to penalties or the utility parameter measurement.

A summary of the preferences is displayed in Table 6. Numbers in the table represent the preference number according to Table 5. As mentioned above, not all interest groups had a preference on all the policy issues under investigation. Preferences that were not found in the official policy papers or responses to the online-public questionnaire are marked as n.f. (not found). On some issues interest groups clearly stated that they hold no position on them, these cases are marked as n.p. (no position). Values n.f. and n.p. will not be counted in the overall preference attainment in Section 6.4.

¹² Position available at http://www.esca-online.eu/?page_id=11

The results show that NGOs preferences diverge from the ones of industry. On the first issue, of setting target of 95g CO₂/km, three out of four NGOs preferred targets to be tightened to 80g CO₂/km by 2020. The European business industry preferred targets to be maintained at the current level. On the second issue, long-term indicative targets, both types of organizations had preference to set targets post-2020 rather than having no long-term prospective. Five out of eight interest groups wanted targets to be set for 5 years, one NGO for 15 years and one industry organization for 10 years. On the third issue, derogations for certain manufacturers, none of the NGOs expressed preference on this matter. ESCA and CLEPA were in favor of maintaining derogations in the new Regulation. On the issue of super-credits inclusion in the Regulation post-2020, the preferences of NGOs and industry diverged completely. None of the NGOs wanted super-credits to be a part of new legislation. On the other hand, industry was in favor of maintaining this issue post-2020. Similar patterns emerge on the matter of eco-innovations: two out of four NGOs lobbied against the eco-innovations, most of the industry organizations welcomed eco-innovation inclusion in the new Regulation. NGOs preferred that the utility parameter be changed to a size-based parameter. On the other hand, industry interest groups preferred mass-based parameter. Finally, on the last issue concerning penalties for excess emissions, two out of four NGOs agreed that penalties are necessary. Industry did not express preference on this matter.

Table 6 Interest group preferences according to the preference scale (Case 1)

Policy issue	NGO preferences				Industry preferences			
	Greenpeace	WWF	CAN	GBE	ACEA	CLEPA	EAA	ESCA
Target to cut emissions to 95g CO2/km by 2020 for new passenger cars	1	1	2	1	n.p.	2	n.f.	2
Setting long-term indicative targets post-2020	2	2	4	2	n.p.	2	2	3
Derogations for certain manufacturers	n.f.	n.f.	n.f.	n.f.	2	n.f.	n.f.	2
Setting super-credits for post-2020 period	1	1	n.f.	1	2	2	n.f.	2
Eco-innovations inclusion in the Regulation	1	2	n.f.	1	2	2	n.f.	2
Utility parameter for measuring limit value curve	1	3	1	1	2	2	1	n.f.
Penalties for excess emissions from 2020	2	2	n.f.	1	n.f.	n.f.	n.f.	n.f.

n.f. (not found) - preference was not found in the official position documents or responses to the online-public consultation.

n.p. (no position) - interest groups stated that they have no position on the issue

6.3 Policy outcome

The Regulation to define modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars, adopted in 2012, is an amendment to the current regulation 443/2009 setting emission performance standards for new passenger cars. Recall from Section 6.1, that the current Regulation was used as a policy measure for disaggregation of policy issues. Current regulation has set CO₂ target and modalities to be attained by 2015 and provisional CO₂ target and modalities for 2020. Amendment to the regulation is needed to confirm the provisional target and to define the modalities for reaching the target by 2020.

The policy outcome was measured according to the issues recognized in the current proposal. The policy outcome expresses the Commission's position on the current proposal and shows whether the Commission wanted more Regulation, less Regulation, or the status quo.

When comparing issues listed in Regulation 443/2009 with an amendment to the Regulation, it became clear that the Commission's position was close to maintaining the status quo. On the first issue, setting target for new passenger cars in 2020, the Commission confirmed the same target as it was prescribed in Regulation 443/2009 – 95g CO₂/km. Long-term targets were not mentioned in the current Regulation, but an amending Regulation states that a target for five years after 2020 should be defined after an assessment of the necessary rate is carried out by the Commission. Derogations for certain manufacturers are maintained at the same level in the amending Regulation as it is in the current Regulation - manufacturers responsible for fewer than 10 000 new passenger cars registered per calendar year will be excluded from the obligation of meeting the CO₂ target. Eco-innovations are maintained as well as penalties for excess emissions. Regarding the utility parameter, the Commission decided that this should continue to be mass. Nevertheless, the size-based utility parameter will be considered in the future.

The only issue on which the Commission adopted a different approach to the current Regulation was setting super-credits post-2020. An amendment to the regulation set stricter rules for super-credits:

“In calculating the average specific emissions of CO₂, each new passenger car with specific emissions of CO₂ of less than 35 g CO₂/km shall be counted as 1.3 passenger cars in the period

from 2020 to 2023 and as 1 passenger car from 2024 onwards”¹³ (European commission, 2012c).

The results of the amendment to the Regulation 443/2009 (policy outcome) are summarized and displayed in Table 7.

Table 7 Policy outcome (Case 1)

Policy issue	Policy outcome
Target to cut emissions to 95g CO2/km by 2020 for new passenger cars	2
Setting long-term indicative targets post-2020	2
Derogations for certain manufacturers	2
Setting super-credits for post-2020 period	3
Eco-innovations inclusion in the Regulation	2
Utility parameter for measuring limit value curve	2
Penalties for excess emissions from 2020	2

6.4 Match or mismatch

This section compares interest group preferences with the final outcome and presents results of preference attainment. This will allow us to determine the winners and the losers of the policy-making process.

Table 8 displays NGOs preferences, European business industry preferences and policy outcome. Values n.f. and n.p. are not included in the matches calculation. After some mathematical calculations, a number of preference-policy outcome matches were obtained for each interest group (refer to row: Number of matches). The number of matches was translated into percentages that represent lobbying success of each group (refer to row: Lobbying success). Calculations show that most of the matches were received by industry organizations CLEPA and

¹³ Regulation 443/2009 allowed for cars with emissions below 50g CO2/km to be counted as 1 car from 2016.

ACEA. All these organizations achieved their full set of preferences bar one. Less successful was ESCA, reaching three out of five of its preferences and EAA reaching one out of two preferences. WWF achieved half of its preferences and was the most successful organization among the group of NGOs. Greenpeace and ICCT scored lower than all industry organizations and WWF – they achieved less than a half of their preferences. The least successful organization was T&E, which attained only one out of six its preferences.

A general pattern emerges that on the Regulation to define the modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars. European industry organizations were more successful in attaining their preferences than NGOs. Nevertheless, there was no interest group who achieved all of its preferences, or on the other hand, an interest group that did not achieve any of its preferences. All of the interest groups achieved at least some of their preferences.

Table 8 Interest group preferences according to the policy outcome (Case 1)

Policy issue	NGO preferences				Industry preferences				Policy outcome
	Greenpeace	WWF	ICCT	T&E	ACEA	CLEPA	EAA	ESCA	
Target to cut emissions to the amount of 95g CO ₂ /km by 2020 for new passenger cars	1	1	2	1	n.p.	2	n.f.	2	2
Setting long-term indicative targets post-2020	2	2	4	2	n.p.	2	2	3	2
Derogations for certain manufacturers	n.f.	n.f.	n.f.	n.f.	2	n.f.	n.f.	2	2
Setting super-credits for post-2020 period	1	1	n.f.	1	2	2	n.f.	2	3
Eco-innovations inclusion in the Regulation	1	2	n.f.	1	2	2	n.f.	2	2
Utility parameter for measuring limit value curve	1	3	1	1	2	2	1	n.f.	2
Penalties for excess emissions from 2020	2	2	n.f.	1	n.f.	n.f.	n.f.	n.f.	2
Number of matches	2 out of 6	3 out of 6	1 out of 3	1 out of 6	3 out of 4	4 out of 5	1 out of 2	3 out of 5	
Lobbying success	33%	50%	33%	17%	75%	80%	50%	60%	

n.f. (not found) - a preference was not found in the official position documents or responses to the online-public consultation.

n.p. (no position) - interest groups stated that it has no position on the issue

7. Preference attainment on the amendment to the Regulation (EU) 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020

This section applies the preference attainment method to the second case under examination – low salient policy proposal. Firstly, I disaggregate the Commission’s draft proposal to amend the Regulation (EU) 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020 into four policy issues. After, I investigate the preferences of four NGOs and four industry interest groups according to the disaggregated issues. Then, I analyse the final policy proposal adopted by the Commission in 2014, which serves a policy outcome. In the last chapter of this section I compare the interest groups preferences with the final outcome and determine the level of lobbying success of each interest group.

7.1 Disaggregation of policy issues

Policy issues were disaggregated according to the Commission’s consultation call document issued prior to the consultation. In this case, the Commission’s draft proposal to amend the Regulation (EU) 1031/2010 to determine the volumes of GHG emission allowances to be auctioned in 2013-2020, served as a consultation call document. The draft proposal was submitted to the online public consultation for comments of interest groups and serves as a benchmark for measuring interest group preference attainment. In addition to the draft proposal, the Commission’s Staff Working Document (European Commission, 2012) was used to identify policy options for the amount of emission allowances that need to be back-loaded in 2013-2020. A combination of both documents enabled me to construct four policy issues¹⁴:

- 1) Changes in the auctioning time profile;
- 2) Decrease in emission allowance volumes in 2013-2015;
- 3) Increase in emission allowance volumes in 2016-2020;
- 4) The amount of emission allowances to be back-loaded.

Each policy issue received a scale of preferences (Preference 1 - Preference 5). A disaggregation of policy issues and constructed preference scales are displayed in Table 9.

¹⁴More information on policy issues in Section 5.2.

Table 9 Disaggregation of policy issues and construction of preference scales (Case 2)

Policy issue	Preference 1	Preference 2	Preference 3	Preference 4	Preference 5
Changes in the auctioning time profile	no changes	changes need to be made	-	-	-
Decrease in emission allowance volumes in 2013-2015	no decrease	need to decrease emission allowance volumes	-	-	-
Increase in emission allowance volumes in 2016-2020	no increase	need to increase emission allowance volumes	-	-	-
The amount of emission allowances to be back-loaded	0	400 mln	900 mln	1200 mln	other

7.2 Interest group preferences

Interest group preferences on the second case were extracted from interest group official position papers submitted to the online public consultation in 2012. All interest groups clearly presented their positions on the amendment to the Regulation.

NGOs preferences

In general, all four NGOs were in favor of Commission's attempt to back-load the surplus of emission allowances. They lobbied for the higher amount of allowance back-loading in the amendment to the Regulation. Moreover, a reduction of allowances, in their view, need to remain a permanent measure instead of increasing them again in 2016-2020.

Greenpeace pointed out that any changes to the EU ETS auction time profile should be in line with the EU's objective of holding global temperature increase below 2° C, a reduction pathway towards 80-95% reductions by 2050, and the internal consistency of the EU's 2020 climate and energy package (Greenpeace, 2012). Having these long-term goals in mind, Greenpeace urged to back-load at least 1400 million emission allowances in 2013-2015. Also, Greenpeace suggested structural improvements of the carbon market, which include a permanent retirement of 2.2 billion allowances between 2016 and 2020 (ibid). Similarly, WWF regretted that "even the high range proposed in the Commission Staff Working Document accompanying the draft future amendment to Regulation (EU) No 1031/2010 is insufficient to deliver a temporary solution that faces up to the proven scale of the oversupply of emission allowances under the EU ETS" (WWF, 2012, p. 1). Same as Greenpeace, WWF lobbied for a reduction of 1400 million allowances by 2020. Moreover, they insisted that instead of temporarily reducing allowances, the Commission should permanently cancel 1400 million allowances in order to correct the oversupply of emission allowances of the EU ETS by 2020.

CAN-E welcomed the Commission's initiative to address the surplus of allowances. Nevertheless, they noted that the Commission's proposal to delay auction of a certain amount of allowances must be followed by a reform of the Scheme. As CAN-E put it:

“CAN-E supports the principle of back-loading only as an interim step towards broader ETS reform, however none of the volumes of allowances proposed to be back-loaded by the Commission (400 million, 900 million or 1.2 billion) are sufficient. CAN-E recommends back-loading of at least 1.4 billion allowances, starting with the highest volume in 2013 and gradually decreasing until 2015, followed by permanent retirement of 2.2 billion allowances to be otherwise auctioned”(CAN-E, 2012, p. 2).

GBE’s position was in line with the three other NGOs. GBE expressed support for the change in auctioning time profile and decrease in emission allowance volumes in 2013-2015. However, none of the options proposed by the Commission on the amounts of back-loading were supported by the GBE. Its position remained in line with other NGOs – back-loading of 1400 million allowances permanently.

Industry preferences

AEA expressed their position on behalf of the aviation sector. AEA was very skeptical about the Commission’s proposed amendment pointing to the negative impact that back-loading would cause on the international climate change policy, environment and economy. Firstly, they argued, that the inclusion of aviation in the EU ETS had caused objections from non-European governments, which see the scheme as a source of revenues for Member States (AEA, 2012). Therefore, changing the auctioning time profile would be treated by the non-European governments as a manipulation of carbon prices and weakening Europe’s affirmation that EU ETS is not aimed at increasing revenues (ibid). As a result, intervention in the carbon market by the Commission would undermine the diplomatic relations with non-European countries. Second AEA’s argument against the Commission’s amendment is that the effectiveness of Commission’s proposal is null. The organization states, that according to the figures provided by the Commission in its Staff Working Document, whether or not a change in the auction time profile is implemented, by the end of 2020 the surplus will stay the same. Finally, AEA expressed its high concerns about the allowance prices in 2013-2020. In their view, the demand for allowances by the aviation sector will increase, as well as prices of allowances. Therefore, the costs of EU ETS for European Airlines will be higher than if no change in the auctioning profile were implemented. In conclusion, it can be said, that AEA does not support any of the measures proposed by the Commission in its draft proposal.

BUSINESSEUROPE expressed their position on behalf of European business. According to BUSINESSEUROPE (2012), prior to the long-term measures being developed, short-term measures such as changes in the auctioning time profile must be avoided. Temporary back-loading of emission allowances would create more uncertainty for European business, which is already affected by the economic crisis. Therefore, BUSINESSEUROPE concluded that it does not support the Commission's attempts to backload any amount of emission allowances between 2013 and 2020.

EUROFER, who represented the European steel industry, claimed that the Commission's suggested measures would bring no benefit at all. EUROFER in its position paper stated, that it opposes any change of the EU ETS target by cancelling allowances or by any other means (EUROFER. 2012). Similarly to AEA and BUSINESSEUROPE, EUROFER expressed its concerns about the increasing carbon prices resulting from the back-load of allowances. What is more, organization outlined specific concerns of the steel industry regarding the Commission's approach to reduce a surplus with short-term measures and within a short notice: "Steel, as many other energy intensive industries, has very long life-cycle investments, often spreading over several decades. In this context, 2020 is already too close to envisage being able to meet a more ambitious target in such a tight time-frame" (EUROFER, 2012, p. 4). In this context, it can be said that with regard to disaggregated policy issues, EUROFER's preferences are the same as AEA's and BUSINESSEUROPE's – strictly against any changes in the auctioning time profile.

CIRFS representing Europe's Man-made fibres industry also lobbied against the amendment to the Auctioning Regulation. CIRFS (2012) claimed that there should be no intervention in the number of allowances and even questioned the legality of the proposal. They saw the proposal as a challenge for the European industry, which is still struggling to recover from the economic crisis.

A summary of interest group preferences is displayed in Table 10. After investigation of interest groups preferences, it turned out that all four NGOs have exactly the same preferences as well as all four industry organizations have exactly same preferences. This does not come as a surprise, because the amendment to the Auctioning Regulation is quite straightforward and contains only one main issue – volumes of emission allowances that need to be decided upon.

Nevertheless, this does not cause problems for this research, because we are interested not in the scope of the proposal, but in its salience to public society.

Table 10 shows that NGOs were in favor of the amendment to the Auctioning Regulation as well as a change in the auctioning time profile. Also, NGOs lobbied for a decrease in volumes of emission allowances in 2013-2015 and for permanent retirement of allowances, meaning no increase of allowances in 2016-2020. On the other hand, industry organizations were strictly against the back-loading of emission allowances and did not want any amendment to the Auctioning Regulation at all. On the last issue - amount of emission allowances to be back-loaded - none of the Commission's provided options for the amounts of 400million, 900million or 1200 million allowances received support from interest groups. NGOs urged for permanent back-load of 1400 million allowances. In contrast, industry organizations lobbied for no change in the amount of emission allowances.

Table 10 Interest group preferences according to the preference scale (Case 2)

Policy issue	NGO preferences				Industry preferences			
	Greenpeace	WWF	CAN-E	GBE	AEA	BUSINESS EUROPE	EUROFER	CIRFS
Changes in the auctioning time profile	2	2	2	2	1	1	1	1
Decrease in emission allowance volumes in 2013-2015	2	2	2	2	1	1	1	1
Increase in emission allowance volumes in 2016-2020	1	1	1	1	1	1	1	1
The amount of emission allowances to be back-loaded	5	5	5	5	1	1	1	1

7.3 Policy outcome

In 2014, after the public consultation of interested parties, the Commission adopted a final Regulation (EU) 176/2014 amending Regulation (EU) 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020. This Regulation serves as a policy outcome of the second case.

Commission in its final Regulation decided to back-load the amount of emission allowances by a medium amount - 900 million. 400 million allowances will be reduced in 2014, followed by 300 million in 2015 and 200 million in 2016. Allowances will be increased again in 2019 by 300 million and by 600 million in 2020 (Commission Regulation (EU) No 176/2014). From what has been said, it seems that the Commission did not take into account either NGOs or industry preferences on the amounts of emission allowances to be back-loaded. In its Staff Working Document accompanying the final proposal (European Commission, 2014a) the Commission said, that the surplus needs to be addressed with back-loading of allowances in order for the EU ETS to meet even more demanding emission reduction targets in a cost effective manner in the future. In addition, “options with a higher amount of back-loading were not considered given that they would only exacerbate these impacts and can only be considered meaningfully in connection with structural measures” (European Commission, 2014a, p. 20). However, the Commission adopted a decision, which is in the middle of both the NGOs and industry preferences keeping the balance between “two opposing camps”. The policy outcome according to the preference scale is displayed in Table 11.

Table 11 Policy outcome (Case 2)

Policy issue	Policy outcome
Support for changes in the auctioning time profile	2
Support for decrease in emission allowance volumes in 2013-2015	2
Support for increase in emission allowance volumes in 2016-2020	2
The amount of emission allowances to be back-loaded	3

7.4 Match or mismatch

Finally, the preference attainment on the second case can be determined. Table 12 shows interest group preferences according to the policy outcome. After simple calculation, a number of preference matches with policy outcome were obtained for each interest group (refer to row: Number of matches). The number of matches was translated into percentages that represent lobbying success of each group (refer to row: Lobbying success). The results show that on the case of the amendment to the Auctioning Regulation to determine the volumes of GHG emission allowances to be auctioned in 2013-20, industry representing interest groups did not achieve any of their preferences. In contrast, NGOs achieved half of their preferences. All four industry organizations lobbied for no amendment to the auctioning time profile at all as well as no back-loading of emission allowances in 2013-2020, therefore these radical preferences were not considered by the Commission and were not reflected in the final Commission's Regulation. NGOs achieved two out of four preferences because they lobbied for change in the auctioning time profile and for a decrease of the allowances in 2013-2015, which is in line with the Commission's draft proposal. However, they urged for a permanent retirement of at least 1400 million allowances which was not an option suggested by the Commission and therefore it was not reflected in the final Regulation. In conclusion, the findings of the preference attainment on the second case show that, on the amendment to the Auctioning Regulation to change the auctioning time profile, NGOs were more successful than industry representing organizations.

Table 12 Interest group preferences according to the policy outcome (Case 2)

Policy issue	NGO preferences				Industry preferences				Policy outcome
	Greenpeace	WWF	CAN-E	GBE	AEA	BUSINESS EUROPE	EUROFER	CIRFS	
Changes in the auctioning time profile	2	2	2	2	1	1	1	1	2
Decrease in emission allowance volumes in 2013-2015	2	2	2	2	1	1	1	1	2
Increase in emission allowance volumes in 2016-2020	1	1	1	1	1	1	1	1	2
The amount of emission allowances to be back-loaded	5	5	5	5	1	1	1	1	3
Number of matches	2 out of 4	2 out of 4	2 out of 4	2 out of 4	0 out of 4	0 out of 4	0 out of 4	0 out of 4	
Lobbying success	50%	50%	50%	50%	0%	0%	0%	0%	

8. Testing hypotheses

Sections 6 and 7 analysed interest group preference attainment on the two cases under investigation – a high salient policy proposal to reduce CO₂ emissions from new passenger cars and a low salient policy proposal to determine volumes of emission allowances to be auctioned. This section looks for explanations as to why some interest groups were found to be successful in achieving their preferences and other were less successful, and how it is related to the policy proposal being high salient to the public or low salient. In doing so, the five hypotheses of this research are tested.

Hypothesis 1:

The more a policy issue is salient to the public, the less likely an interest group is to succeed in its lobbying.

Recall from Section 4.1 that the first case of this research (CO₂ reduction from new passenger cars) was found to be a high salient issue to the public. Whereas, the second case (amendment to the Auctioning Regulation) was found to be a low salient issue. According to Hypothesis 1, interest groups that lobbied on the first case should be less successful than interest groups that lobbied on the second case. However, preference attainment results in Table 8 and Table 12 reveal different pattern. All organizations that lobbied on the high salient proposal achieved at least one of their preferences. In contrast, only four organizations that lobbied on the low salient proposal achieved at least one of their preferences and four organizations did not achieve any of their preferences. Moreover, on the high salient proposal three interest groups (ACEA, CLEPA, ESCA) achieved more than half of their preferences. On the low salient proposal none of the interest groups achieved more than half of their preferences. On the high salient proposal the rate of lobbying success varied from 17 percent to 80 percent, with four highest rates being 50 percent, 60 percent, 75 percent and 80 percent (Table 8). On the other hand, lobbying success on the low salient proposal varied from 0 percent to 50 percent, with the four highest rates being 50 percent (Table 12). Apparently, organizations, which lobbied on the high salient proposal, were more successful than organizations, which lobbied on the low salient proposal. This means that lobbying success does not depend on the issue being high salient or low salient to the public and therefore Hypothesis 1 is rejected.

Hypothesis 2:

Interest groups representing business interests are more likely to succeed in lobbying than interest groups representing public interests.

The aim of this hypothesis is to test whether lobbying success depends on the interest group type. According to the “logic of collective action” theory, public interest organizations are less influential because they face “collective action problem” and it is more difficult for them to get organized than for business interests representing groups. Therefore it is expected that business interest groups will be more successful than public interest groups when lobbying. Table 13 shows the overall success of all public interest groups under examination and success of all European industry groups on the both cases. The overall lobbying success of NGOs was found to be 333 percent. The overall success of EU industry groups was found to be 265 percent. This shows that NGOs achieved 68 percent more lobbying success than European industry organizations. This finding confronts the expectations of Hypothesis 2 and therefore this hypothesis is rejected.

Table 13 Lobbying success according to the interest group type

Lobbying success (NGOs)		Lobbying success (EU industry)	
Greenpeace	33%	ACEA	75%
WWF	50%	CLEPA	80%
ICCT	33%	EAA	50%
T&E	17%	ESCA	60%
Greenpeace	50%	AEA	0%
WWF	50%	BUSINESS EUROPE	0%
CAN-E	50%	EUROFER	0%
GBE	50%	CIRFS	0%
Total	333%	Total	265%

Hypothesis 3:

Interest groups representing public interests are more likely to succeed in lobbying on the highly salient policy issues than interest groups representing business interests.

Hypothesis 3 tests the relationship between issue salience and interest group type. According to the hypothesis, NGOs are supposed to be more successful than European business industry organizations when lobbying on the proposal to reduce CO2 emissions from new passenger cars. However, results of preference attainment show that this is not the case. Figure 2 below shows lobbying success of NGOs and industry organizations on the high salient proposal. From the figure it is visible that industry organizations achieved more lobbying success than NGOs. T&E achieved only a 17 percent success rate, Greenpeace and ICCT scored a 33 percent rate and WWF achieved the highest rate from NGOs – 50 percent. On the other hand industry organizations, like ACEA, CLEPA and ESCA were successful reaching lobbying success of 75 percent, 80 percent and 60 percent accordingly. Only EAA achieved the same rate of lobbying success as WWF, who represents environmental group interests. However, none of the NGOs achieved more lobbying success than industry organizations. This finding rejects Hypothesis 3.

Moreover, if we look at the findings on the low salient policy proposal illustrated in Figure 3, NGOs were twice more successful than industry organizations on the low salient policy issue. This contradicts our expectations but also reveals an interesting pattern - industry organizations are more successful when lobbying on the high salient policy issues and NGOs are more successful when lobbying on the low salient policy issues.

Figure 2 Lobbying success according to interest group type on the high salient policy proposal (Case 1)

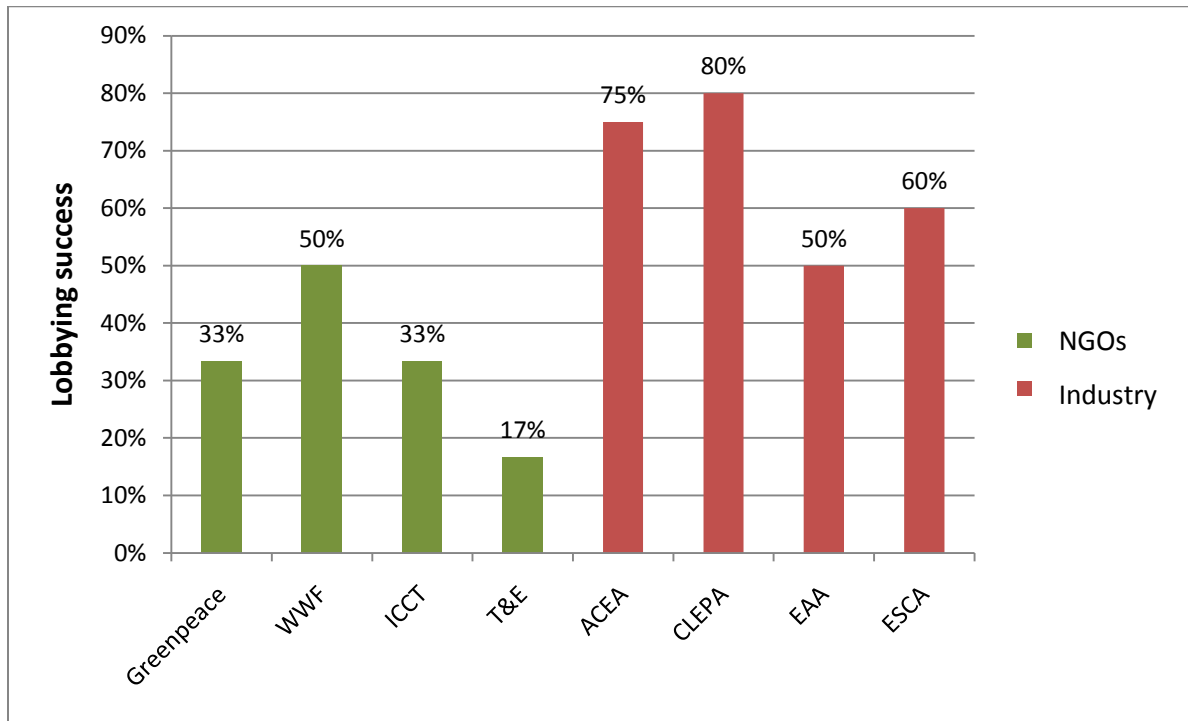
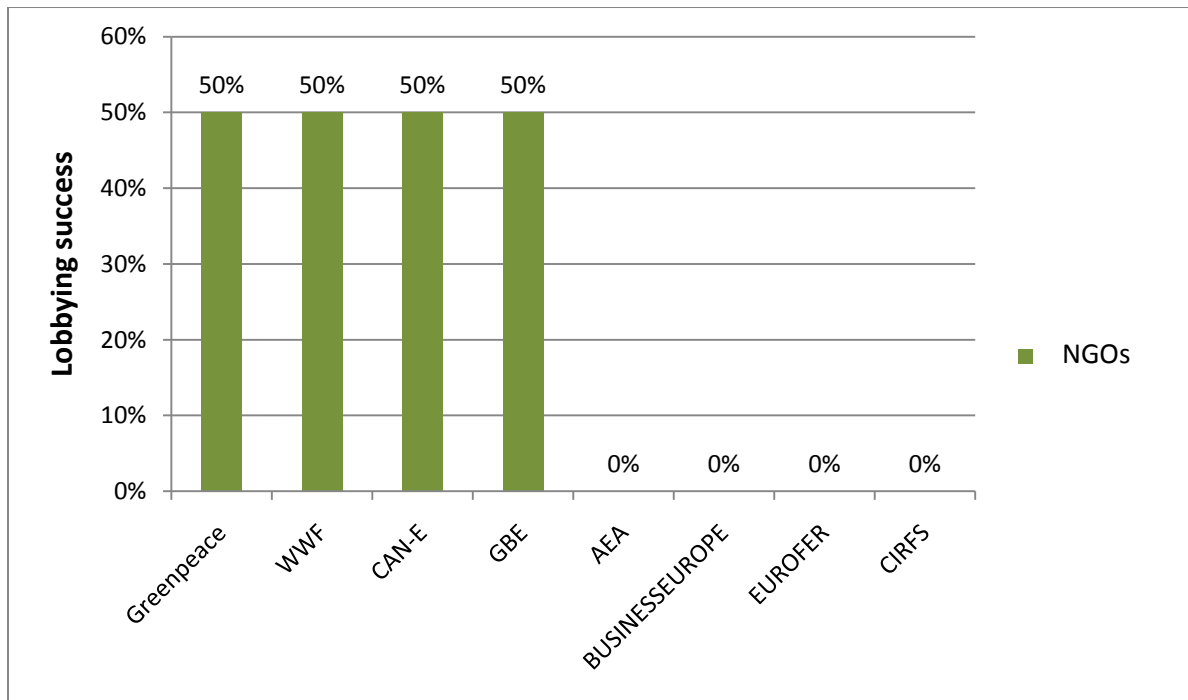


Figure 3 Lobbying success according to the interest group type on the low salient policy proposal (Case 2)



Hypothesis 4:

Interest groups holding more financial resources are more likely to succeed when lobbying on EU policy-making.

Table 14 and Table 15 show the amount of financial resources each interest group holds. The amount of financial resources of each organization are expressed by a number of employees involved in lobbying activities in the EU on behalf of that organization.

Table 14 Financial resources of interest groups that lobbied on the high salient policy proposal (Case 1)

Nr.	Name	Type	Financial resources *
1	Greenpeace	NGO	13
2	World Wildlife Fund (WWF)	NGO	34
3	International Council on Clean Transportation (ICCT)	NGO	2
4	Transport and Environment (T&E)	NGO	15
5	European Automobile Manufacturers Association (ACEA)	Industry	12
6	European Association Automotive Suppliers (CLEPA)	Industry	15
7	European Aluminum Association (EAA)	Industry	7
8	European Small Volume Car Manufacturers Alliance (ESCA)	Industry	11

*Financial resources measured by the number of employees involved in lobbying in the EU. Data obtained from the *Transparency Register.eu*

Table 15 Financial resources of interest groups that lobbied on the low salient policy proposal (Case 2)

Nr.	Name	Type	Financial resources*
1	Greenpeace	NGO	13
2	World Wildlife Fund (WWF)	NGO	34
3	Climate Action Network Europe (CAN-E)	NGO	10
4	Green Budget Europe (GBE)	NGO	2
5	Association of European Airlines (AEA)	Industry	1.8
6	BUSINESSEUROPE	Industry	27
7	European Steel Association (EUROFER)	Industry	1.2
8	European Man-made Fibres Association (CIRFS)	Industry	8

*Financial resources measured by the number of employees involved in lobbying in the EU. Data obtained from the *Transparency Register.eu*

To test Hypothesis 4 it is necessary to investigate dependency between financial resources and lobbying success. In other words, we need to find out if lobbying success depends on the amount of financial resources that an interest group possess. In order to find this out, I created Figure 4 and Figure 5. The former shows dependencies on the high salient proposal (case 1), the latter represents dependencies on the low salient proposal (case 2).

Figure 4 Dependency between financial resources and lobbying success on the high salient proposal (Case1)

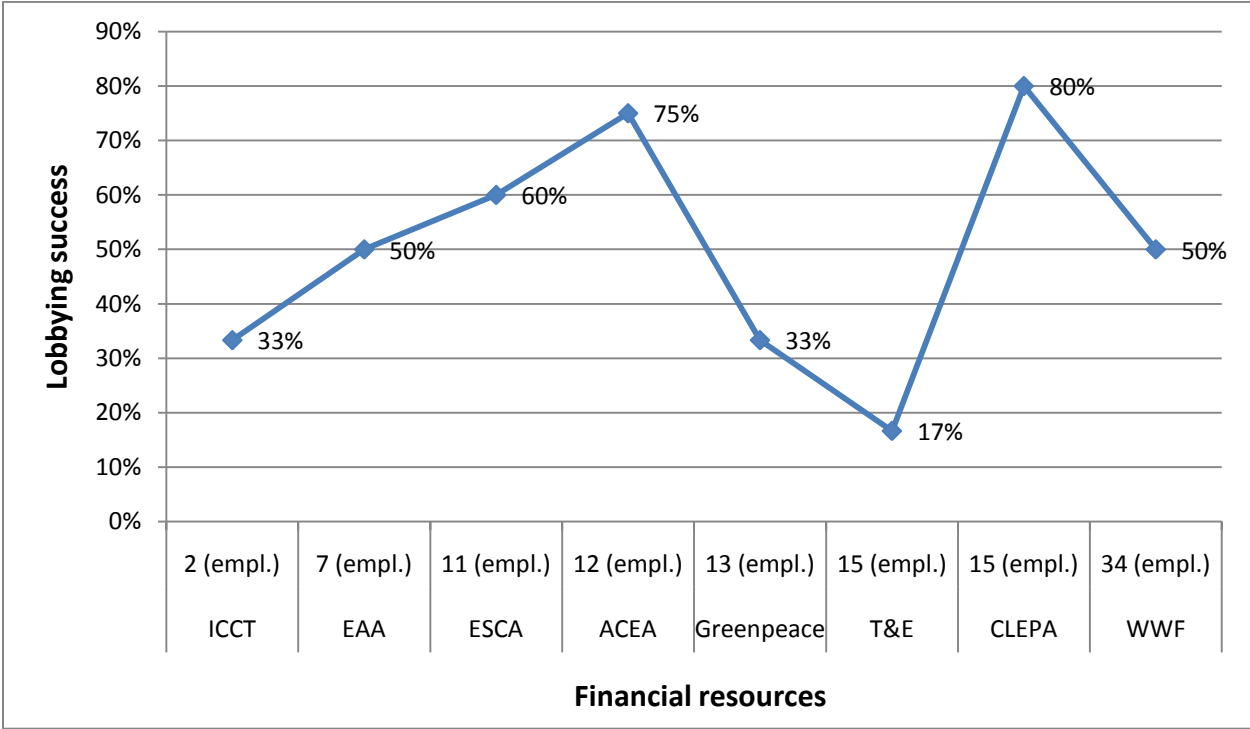
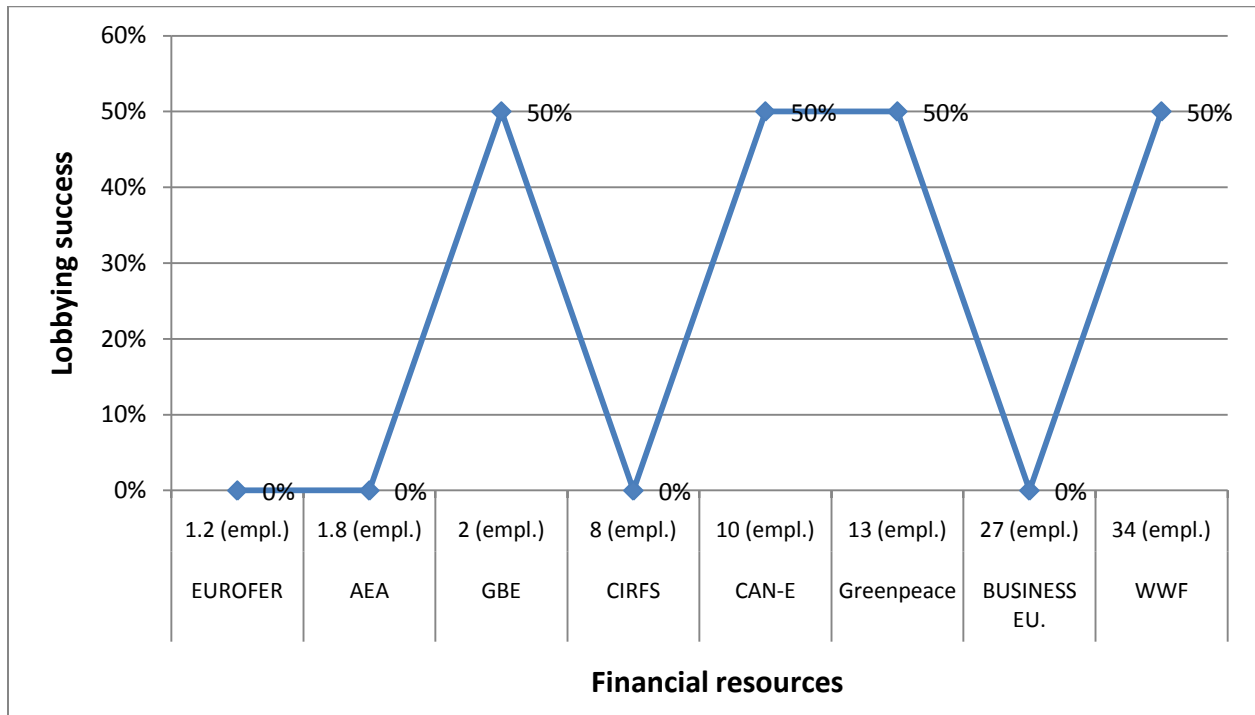


Figure 5 Dependency between financial resources and lobbying success on the low salient proposal (case2)



When looking at Figures 4 and 5 it can be seen that there is no strong dependency between an interest group’s financial resources and their lobbying success. In the first part of Figure 4, the line of lobbying success is gradually growing together with the amount of financial resources. This is true for the first four records, and if such a correlation were to continue the hypothesis would be accepted with regard to the high salient policy proposal. However, the trend is broken by Greenpeace’s 33 percent success rate against their financial resources of 13. Before Greenpeace in the data set is ACEA, which has 12 financial resources and a success rate of 75 percent. This is a significant decline at 42 percent. The next record drops off again by a further 16 percent as T&E has financial resources of 15 but only 17 percent success rate. What emphasizes the non-dependency between the two variables is the fact that CLEPA also has financial resources of 15 but the success rate is three times more than that of T&E. In addition, WWF, the organization with the most financial resources, is only the fourth highest in terms of lobbying success (50 percent).

Figure 5 does not reveal any dependency either. GBE, interest group with 2 employees involved in lobbying, has the same rate of lobbying success (50 percent) as WWF, who has the most financial resources - 34 employees. CIRFS has four times more financial resources than GBE, but its lobbying success is 0 percent while GBE's is 50 percent. Similarly, CAN-E and Greenpeace have less than half the financial resources of BUSINESSEUROPE, but despite that their lobbying success is 50 percent and BUSINESSEUROPE's 0 percent.

The above findings show that an interest groups lobbying success does not depend on its financial resources, neither on the high salient policy proposal, nor on low salient policy proposal. Therefore, Hypothesis 4 is rejected.

Hypothesis 5:

Interest groups lobbying for the status quo rather than for a policy change are more likely to succeed.

Due to institutional stickiness it is easier to stay still than move to a new policy equilibrium (Mahoney, 2007). Therefore interest groups that lobby for the status quo rather than for radical policy change should be more successful in lobbying.

In both cases examined in this study, the status quo is an existing policy. As both cases are amendments to the existing legislation, it was not difficult to establish the status quo. In the first case, the status quo is Regulation 443/2009, which sets targets and modalities for CO2 reduction from cars until 2015 and provisional targets and modalities until 2020. Recall from Section 6.1 that Regulation 443/2009 was used as a benchmark for disaggregation of policy issues. Preference scale was designed in a way that Preference 2 reflects a preference for the status quo. Any deviation from Preference 2 is considered as a preference for a policy change. To establish whether interest groups lobbied for the status quo or for policy change Table 16 becomes handy. From Table 16 it can be seen that interest groups that had the most Preference 2 in their basket, were the ones that had the most lobbying success. CLEPA and ACEA had all their preferences in line with the status quo and therefore they achieved the most lobbying success out of all the interest groups. ESCA had four out of five preferences in line with the status quo. Consequently, it achieved less lobbying success than CLEPA and ACEA. In general, industry organizations were in favor of the 95g CO2/km target and provisional modalities set in

Regulation 443/2009 until 2020, because modalities did not put too much pressure on manufacturers. Industry organizations lobbied for keeping Regulation as it is. Therefore, they achieved more lobbying success than environmental NGOs who lobbied for a change in the policy. NGOs tried to push for a stricter Regulation amendment with a tighter CO₂ target of 80g CO₂/km and less flexibilities for manufacturers. T&E had the most radical preferences, out of which only setting long-term indicative targets post-2020 was in line with the status quo. From Table 16 it is visible that T&E had only one out of six preferences in line with the status quo and therefore it achieved the least success.

In the second case, the status quo was established according to Regulation 1031/2010 (Auctioning Regulation), which determines the volumes of allowances to be auctioned each year. A deviation from these volumes was already decided in Commission's Regulation 1210/2011, which sets reductions in auctioning time profile for 2013 and 2014. The existing policy contains an objective to keep the demand and supply of allowances balanced in the long-term. Thus, a reduction of allowance surplus, which has built up before 2013, is a current policy objective. The amendment to the Auctioning Regulation (which is the second case under examination in this research) was issued by the Commission to implement necessary allowance reductions. Therefore, the status quo on the second case under investigation is a reduction of emission allowances until 2020. With regard to interest groups preferences: NGOs were supportive of the amendment to the Regulation and lobbied in favor of back-loading emission allowances, which is in line with the status quo. Even though NGOs tried to push for a higher amount of allowances to be back-loaded than suggested by the Commission, their preferences were more in line with the status quo than those of industry organizations. Industry organizations lobbied against any changes to the auctioning time profile and against the back-loading of allowances overall. These radical preferences were not successfully attained leaving industry organizations with zero percent lobbying success.

From what has been said, on both - high salient and low salient proposals - interest groups that had preferences more in line with the status quo rather than policy change achieved more lobbying success. Therefore, hypothesis 5 is approved.

Table 16 Interest group preferences according to the status quo (Case1)

Policy issue	NGO preferences				Industry preferences				Status quo
	Greenpeace	WWF	ICCT	T&E	ACEA	CLEPA	EAA	ESCA	
Target to cut emissions to the amount of 95g CO2/km by 2020 for new passenger cars	1	1	2	1	n.p.	2	n.f.	2	2
Setting long-term indicative targets post-20202	2	2	4	2	n.p.	2	2	3	2
Derogations for certain manufacturers	n.f.	n.f.	n.f.	n.f.	2	n.f.	n.f.	2	2
Setting super-credits for post-2020 period	1	1	n.f.	1	2	2	n.f.	2	2
Eco-innovations inclusion in the Regulation	1	2	n.f.	1	2	2	n.f.	2	2
Utility parameter for measuring limit value curve	1	3	1	1	2	2	1	n.f.	2
Penalties for excess emissions from 2020	2	2	n.f.	1	n.f.	n.f.	n.f.	n.f.	2
Number of matches	2 out of 6	3 out of 6	1 out of 3	1 out of 6	4 out of 4	5 out of 5	1 out of 2	4 out of 5	
Lobbying success	33%	50%	33%	17%	75%	80%	50%	60%	

n.f. (not found) - a preference was not found in the official position documents or responses to the online-public consultation.

n.p. (no position) - interest groups stated that it has no position on the issue

9. Conclusions

This research aimed to find out determinants of interest group lobbying success on the high salient and low salient proposals. In Sections 6 and 7 preferences of sixteen interest groups were measured and lobbying success of each interest group was revealed. Section 8 tested the relationship between interest group characteristics variables, issue salience variable and interest group lobbying success. The first part of this section sums up the findings and provides an answer to the main research question. After, limitations of this research are addressed. Finally, the theoretical and social implications of the research are discussed.

9.1 Main findings and the answer to the research question

The objective of this study was to find the determinants of interest group lobbying success on the EU Climate action policy field. Combining theoretical approaches of interest group characteristics and issue-specific characteristics, this study aimed to investigate whether the selected independent variables - issue salience, interest group type, financial resources and position of an advocate on the issue - have an impact on interest group lobbying success. A systematic application of the preference attainment method on the two cases under examination revealed each interest group's level of lobbying success. The levels of success were then combined with the independent variables, which revealed the findings described below.

Firstly, dependency between issue salience and lobbying success was tested. There was no pattern found to support that when issue salience increases the lobbying success of interest group decreases. In contrary, the results showed that all eight organizations that lobbied on the high salient proposal (reduction of CO₂ emissions from new passenger cars) achieved more of their preferences than interest groups that lobbied on the low salient proposal (amendment to the ETS Auctioning Regulation). Therefore, issue salience was not found to be a determinant of lobbying success. Secondly, the findings of this study reject a famous argument that business organization groups are more successful than public organization. It was found that all together eight environmental NGOs achieved 68 percent more preferences than eight industry organizations on both cases under examination. This proved that lobbying success does not depend on the interest group type. Thirdly, an interesting pattern was found when testing issue salience relation with interest group type. According to the issue-specific approach it was

expected that NGOs would achieve more of their preferences on the highly salient issue because policy makers are more likely to take public opinion into account on issues that attract the interest of a large share of society. However, NGOs were found to attain half the amount of preferences that industry organizations did on the high salient policy proposal and twice more preferences than industry organizations on the low salient proposal. This reveals an unexpected paradox: industry organizations are more successful when lobbying on the high salient policy issues and NGOs are more successful when lobbying on the low salient policy issues. Fourthly, financial resources were not found to be a strong determinant of lobbying success either. There was no pattern found to support the claim that when financial resources increase, lobbying success of interest group increase as well. Interest groups with a small amount of financial resources were able to achieve the same level of lobbying success as interest groups holding double the number of financial resources. In addition, well-endowed organizations achieved less lobbying success than organizations with a few financial resources. Finally, a position of an advocate on the case was found to be a strong predictor of interest group success in preference attainment. Organizations that had preferences consistent with the status quo rather than policy change achieved more of their goals. Interest groups with revolutionary preferences that highly deviate from Commission's position were found to be the least successful in lobbying.

From what has been said, an answer to the main research question "What determines interest group lobbying success in EU Climate action policy?" can be formulated: neither issue salience nor interest groups type or financial resources are determinants of lobbying success. The most important determinant of preference attainment is position of an advocate on the case. Nevertheless, the relation between interest type and issue salience should be taken into consideration. Public interest groups are expected to succeed more than industry organizations when lobbying on low salient issues. And industry organizations are expected to succeed more than public organizations on the high salient climate change policy issues.

9.2 Limitations of the research

It is important to note limitations of this research. First limitation points to disaggregation of policy issues. It was difficult to decide which document to use for issue disaggregation. Previous research (Bunea, 2013; Mahoney, 2007) used the Commission's consultation call to disaggregate issues. However, while conducting research on the first case of this study, it was found that the

Commission's consultation document submitted for interest group public consultation, did not contain the same issues that were decided in the final legislative proposal. In other words, a low correspondence between the Commission's consultation call document and the final legislative proposal was detected, which causes difficulties when comparing preferences with outcome. A recommendation for future research in this case would be, instead of using the Commission's consultation call document for issue disaggregation, to use old regulation as a benchmark for issue disaggregation. Second limitation refers to the generalization of findings. This study analysed two cases in one EU policy field, therefore the results cannot be generalized to other EU policy fields, but rather to high salient and low salient policy issues within EU climate action policy. Nevertheless, application of preference attainment on high salient and low salient policy issues in other EU policy fields would be a suggestion for future research.

9.3 Theoretical implications

The preference attainment method applied in this study enabled me to reveal the factors that determine lobbying success and reject the factors that do not. However, this method raised some considerations to causal mechanisms between the related factors, in this case, between issue salience and interest group type. As mentioned in the Section 9.1 above, this study discovered an interesting pattern: industry organizations were found to be more successful when lobbying on the high salient policy issues while NGOs were found to be more successful when lobbying on the low salient policy issues. To understand the cause of this pattern, the preference attainment method could be combined with the process tracing method. Involvement of several interviews could bring some clarification to causal mechanisms between the related factors such as issue salience and interest group type. Therefore, a recommendation for future research would be to use the preference attainment method in combination with interviews or the process tracing method.

The finding of this study contradicts the famous argument that “interest groups representing business interests are more likely to organize and achieve their policy preferences than groups with diffuse interests representing interests of society” (Hix and Hoyland, 2011; Olson, 1965). Such a finding is in line with Kluver's (2012) research on European Commission lobbying. She discovered that lobbying success does not vary systematically across the interest group type when lobbying in the European Commission. In this sense a relation between interest

group type and the EU policy-making stage could be investigated. Future research could consider testing the relation between interest group type (public or business interest) and the stage of the policy making process (European Commission, European Parliament and the Council) and how does this relation effect lobbying success.

Most studies in interest group literature investigate issue salience based on one of the concepts – either issue salience to public (Mahoney, 2007) or issue salience to interest groups themselves (Kluver, 2012; Bunea, 2013). These two concepts could be combined and tested in order to find out levels of lobbying success on issues that are highly salient to both public and interest groups themselves or low salient to both public and interest groups.

9.4 Social implications

The findings of this study show that success in lobbying does not necessarily depend on how well-endowed an interest group is. Interest groups holding less financial resources were found to be equally able to attain their preferences as interest groups holding more financial resources. This implies that budget is not the most important factor that needs to be considered when aiming for success in lobbying. A recommendation for interest groups would be to pay more attention to the distance of their policy preferences from the status quo, which was found to be a strong predictor of success.

10. References

- ACEA (2007). ACEA answer to Commission consultation on CO2/cars Communication, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0001/organisations/acea_en.pdf
- AEA (2012). AEA response to the Consultation on review of the auction time profile for the EU Emissions Trading System, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/aea_en.pdf
- Blatter, J. and M. Haverland (2012), “Chapter 2 Co-Variational Analysis” in Blatter and (Eds.) *Designing Case Studies*, Basingstoke: Palgrave MacMillan

- Bouwen, P. (2004). Exchange access goods for access a comparative study of business lobbying in the European Union institutions. In: *European Journal of Political Research*, 43, pp. 337-369.
- Bunea, A. (2013). Issues, preferences and ties: Determinants of interest groups' preference attainment in the EU environmental policy. *Journal of European Public Policy*, 20(4), 552-570.
- BUSINESSEUROPE (2012). BUSINESSEUROPE response to the public consultation on the back-loading of allowances, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/businesseurope_en.pdf
- CAN-E (2012). Contribution to the European Commission's public consultation on review of the auction time profile for the EU Emissions Trading System, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/can_en.pdf
- CIRFS (2012). CIRFS position regarding the set-aside/backload of allowances, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/cirfs_en.pdf
- CLEPA (2012). CLEPA Position on the revision of Regulation EC No 443/2009 setting emissions performance standards for new passenger cars and Regulation EC No 510/2011 setting emissions performance standards for new light commercial vehicles, retrieved 20 June 2014 from <http://www.clepa.eu/strategic-issues/position-papers/>
- Coen, D. (2007). Empirical and theoretical studies in EU lobbying. *Journal of European Public Policy*, 14(3), 333-345.
- Coen, D., & Richardson, J. (Eds.). (2009). *Lobbying the European Union: institutions, actors, and issues*. Oxford University Press.
- Commission Regulation (EU) No 176/2014 amending Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020. [2014] OJ L56/11

Council Regulation (EC) No 443/2009 on setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO₂ emissions from light-duty vehicles. [2009] OJ L140

DG CLIMA (2014a). EU action on climate change, retrieved 5 July 2014 from http://ec.europa.eu/clima/policies/brief/eu/index_en.htm

DG CLIMA (2014b). Reducing CO₂ emissions from new passenger cars, retrieved 5 July 2014 from http://ec.europa.eu/clima/policies/transport/vehicles/cars/index_en.htm

DG CLIMA (2014c). Structural reform of the European carbon market, retrieved 5 July 2014 from http://ec.europa.eu/clima/policies/ets/reform/index_en.htm

Dür, A. (2008). Measuring Interest Group Influence in the EU A Note on Methodology. *European Union Politics*, 9(4), 559-576.

Dür, A., & De Bièvre, D. (2007). Inclusion without influence? NGOs in European trade policy. *Journal of Public Policy*, 79-101.

EAA (2011). Additional comments, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0012/registered/european_aluminium_association_additional_comments_en.pdf

Eising, R. (2007). Institutional context, organizational resources and strategic choices explaining interest group access in the European Union. *European Union Politics*, 8(3), 329-362.

ESCA (2011). Consultation on reducing CO₂ emissions from road vehicles, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0012/registered/esca_written_comments_en.pdf

EUROFER (2012). EUROFER's response to the consultation on review of the auction time profile for the EU Emissions Trading System, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/eurofer_en.pdf

European Commission (2007). Public hearing "Reducing CO2 from passenger cars and light-commercial vehicles", retrieved 1 July 2014 from http://ec.europa.eu/clima/events/docs/0005/final_report_en.pdf

European Commission (2011). Reducing CO2 emissions from road vehicles. Results of the public consultation September 2011-December 2011, retrieved 10 June 2014 from http://ec.europa.eu/clima/consultations/docs/0012/summary_en.pdf

European Commission (2011a). Summary of the meeting by the Commission. Stakeholder meeting on CO2 from light duty vehicles, retrieved 5 July 2014 from http://ec.europa.eu/clima/events/docs/0048/meeting_summary_en.pdf

European Commission (2012). Commission Staff Working Document. Information provided on the functioning of the EU Emissions Trading System, the volumes of greenhouse gas emission allowances auctioned and freely allocated and the impact on the surplus of allowances in the period up to 2020. Brussels. SWD (2012) 234 final.

European Commission (2012a). Draft future Commission Regulation amending Regulation (EU) No 1031/2010, in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020 (provisional version), retrieved 1 July 2014 from http://ec.europa.eu/clima/policies/ets/cap/auctioning/docs/c_xxxx_xxx2_en.pdf

European Commission (2012b). Online questionnaire on reducing CO2 emissions from road vehicles, retrieved 5 July 2014 from http://ec.europa.eu/clima/consultations/docs/0012/registered/registered_en.pdf

European Commission (2012c). Proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 443/2009 to define the modalities for reaching the 2020 target to reduce CO2 emissions from new passenger cars. Brussels. COM (2012) 393 final

European Commission (2012d). Commission Staff Working Document. Impact Assessment accompanying the document Proposal for a regulation of the European Parliament and of

the Council amending Regulation (EC) No 443/2009 to define modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars. Brussels. SWD (2012) 213 final.

European Commission (2014). Commission Staff Working Document. Impact Assessment accompanying the document Commission Regulation (EU) No 176/2014 of 25 February 2014 amending Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020. Brussels. SWD (2014) 50 final.

European Commission (2014a). Commission Staff Working Document. Executive Summary of the Impact Assessment accompanying the document Commission Regulation (EU) No 176/2014 of 25 February 2014 amending Regulation (EU) No 1031/2010 in particular to determine the volumes of greenhouse gas emission allowances to be auctioned in 2013-2020. Brussels. SWD (2014) 51 final.

Greenpeace (2007). Submission to the European Commission consultation on the implementation of the renewed strategy to reduce CO₂ emissions from passenger cars and light- commercial vehicles, retrieved 1 July 2014 from http://ec.europa.eu/clima/consultations/docs/0001/organisations/greenpeace_en.pdf

Greenpeace (2011). Consultation on reducing CO₂ emissions from road vehicles, retrieved 20 June 2014 from http://ec.europa.eu/clima/consultations/docs/0012/registered/greenpeace_contribution_en.pdf

Greenpeace (2012). Contribution of Greenpeace European Unit to the European Commission consultation regarding the review of the EU ETS auction profile, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/greenpeace_en.pdf

- Gschwend, T., & Schimmelfennig, F. (Eds.). (2007). *Research design in political science: how to practice what they preach*. Palgrave Macmillan.
- Hix, S. & Hoyland, B. (2011). *The political system of the European Union* (3rd edition). Palgrave MacMillan.
- ICCT (2011). European Commission consultation on Reducing CO2 emissions from road vehicles – Additional comments, retrieved 1 July 2014 from http://ec.europa.eu/clima/consultations/docs/0012/registered/icct_additional_comments_en.pdf
- Klüver, H. (2011). The contextual nature of lobbying: Explaining lobbying success in the European Union. *European Union Politics*, 12(4), 483-506.
- Klüver, H. (2012). Biasing politics? Interest group participation in EU policy-making. *West European Politics*, 35(5), 1114-1133.
- Mahoney, C. (2007). Lobbying success in the United States and the European Union. *Journal of Public Policy*, 27(1), 35.
- Olson, M. (1965). *The logic of collective action: public goods and the theory of groups*. Cambridge University, MA: Harvard University Press.
- T&E (2007). Reducing CO2 emissions from cars, retrieved 1 July 2014 from http://ec.europa.eu/clima/events/docs/0005/5_t_and_e_en.pdf
- Transparency Register.eu (2014). Statistics of the Transparency Register, retrieved 6 July 2014 <http://ec.europa.eu/transparencyregister/public/consultation/statistics.do?locale=en&action=prepareView>
- WWF (2007) Submission to EC's consultation on the strategy for reducing CO2 emissions from cars, retrieved 20 June 2014 from http://ec.europa.eu/reducing_co2_emissions_from_cars/doc_contrib/wwf_en.pdf

WWF (2012). WWF Response to the European Commission public consultation on review of the auction time profile for the EU Emissions Trading System, retrieved 2 July 2014 from http://ec.europa.eu/clima/consultations/docs/0016/organisation/wwf_en.pdf